

SUMMARY INDEX
CITY OF SANTA FE
Occupancy Tax Advisory Board
April 24, 2018

<u>ITEM</u>	<u>ACTION TAKEN</u>	<u>PAGE(S)</u>
I. Procedures		
a. Call to Order	Called to Order at 10:00 a.m.	1
b. Roll Call	Quorum Present	1
c. Approval of Agenda	Approved as presented	1-2
d. Approval of Minutes – March 27, 2017	Approved as presented	2
II. Lodgers' Tax Report	Reported & discussed	2-4
III. Final Report NMPBS	Reported by Michael Kamins	4-7
IV. Northern New Mexico Alliance	Discussion	7-8
V. Visit Santa Fe Activity Reports		
a. Sales Report	Reported by Mr. Carr	8-10
b. Marketing Report	Reported by Ms. Delgado	11-14
c. Executive Director Report	None	14
V. Other Matters from the Board	Discussion	15
VI. Adjournment	Adjourned at 11:45 a.m.	15

Next Meeting: May 22, 2018

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

April 24, 2018
10:00 a.m.

I. PROCEDURES

a. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Vice-Chair Jon Hendry on this date at approximately 10:00 a.m. in the Santa Fe Community Convention Center, Administrative Conference Room, Santa Fe, New Mexico.

b. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Paul Margetson, Chair
Victoria Bruneni
Jon Hendry
Chris Hyer
Al Lucero
Elizabeth Pettus

Members Absent:

Staff Present:

Randy Randall, Executive Director
David Carr, Sales Director
Cynthia Delgado, Marketing Director
Phyllis Ortiz, Administrator

Others Present:

Michael Kamins, New Mexico PBS

c. APPROVAL OF AGENDA

MOTION: Member Bruneni moved to approve the agenda as presented. Member Pettus seconded the motion.

VOTE: The motion passed by unanimous voice vote with Members Bruneni, Hendry, Hyer, Lucero and Pettus voting in favor and none voting against.

d. APPROVAL OF MINUTES: March 27, 2018

MOTION: Member Lucero moved, seconded by Member Pettus, to approve the minutes of March 27, 2018 as presented.

VOTE: the motion passed by unanimous voice vote with Members Bruneni, Hendry, Hyer, Lucero and Pettus voting in favor and none voting against.

II. Lodgers Tax

a. Update – Randy Randall

Mr. Randall informed the Board that Ms. Delgado had submitted her resignation and would be leaving at the end of May to join NDI as their Director of Advancement, the marketing and fundraising officer. The position is exempt and without an information request could not learn who has applied for or if the position is posted. He had been turned down for an exception by the former City Manager but will ask again of the new City Manager.

The Lodgers Report shows the occupancy continue to run ahead and picked up 10.79%, \$54,000 from the prior February, all of it is in short-term rentals. The Lodgers' Tax was flat for two months.

Year to date, they are \$457,000 ahead and the Star Report and the Rocky Mountain Lodgers' Report reflect a good March up by \$25-\$30,000 in Tax from hotels. With the continual increase in short-term rentals, they would be up another \$70,000 and on track to finish as much as three quarters of \$1 million from the prior year, which has been a strong trend.

Mr. Hendry asked if they would send a press release to the New Mexican because the paper never talks about the success of Tourism Santa Fe.

Mr. Randall replied the newspaper would not print anything about Ms. Delgado leaving but NDI did put out a release and is appropriate and a possibility Tourism Santa Fe will have a chance to respond.

Ms. Delgado explained NDI had not put out a public release but would at a later date.

Chair Margetson asked if the City has published the number of registered short-term rentals.

Mr. Randall explained they do not put that out and he has asked several times. They told City Council at the Finance Committee that the City is about 875 in issued short-term rental permits and 75 are in process putting them close to the ceiling of a thousand. There is another 100 in the short-term rental

business in zoning that allows short-term rentals but do not have the short-term rental permit. He explained that the permit gives a variance to the residential zoning and about 100-150 are in areas zoned for short-term rentals and there are at least 1,200 in the City.

Chair Margetson asked Mr. Hyer and Katherine Miller if Air BnB is permitted by the County.

Mr. Harris said yes, but there is a blurred line of what is Santa Fe County and what is the City.

Mr. Randall said Air BnB assures him they are not collecting and remitting Lodgers' tax from any short-term rental located outside the City limits, but Ms. Miller does not believe that. He has suggested she is probably losing \$10-12,000 each month and more than \$30,000 in the County. The County is missing an opportunity and he offered to help the County Manager execute a VCA (Voluntary Collection Agreement) and share Tourism Santa Fe's resources that could help her monitor what is happening in the County.

Chair Margetson asked if reporting a house in the County that is rented out is required.

Mr. Randall thought there was not a specific short-term rental ordinance.

Mr. Hyer said people in the County might be saying they are in the City of Santa Fe without realizing the difference between County and City.

Mr. Randall thought that was ridiculous because the City would not accept the report and would see the address was not in the City.

Member Lucero indicated the Albuquerque Journal reported on gross receipts taxes and Santa Fe was up 20% in February. The Lodgers Tax was flat, but the City was full to reflect that kind of increase. He thought that was restaurants and construction.

Mr. Randall said it would include the hospitality sector because they were the biggest driver. Just the fact that short-term rental and Lodgers Tax increased from \$62,000 to \$115,000 in February supports it. They were collecting \$19,000 two years ago in short-term rentals and the Air BnB contract went into place and was \$62,000, including catch up. They are now up to \$115,000 and the addition of Air BnB did not do that. It is increased volume in short-term rentals for February.

Member Bruneni asked if a big part of that displacement is that people that were renting houses (long-term) and asked their tenants to leave and became additional people short-term renting their homes through Air BnB.

Mr. Randall agreed. He said the outlook is good. Destimatrix is showing business continues to be strong. He should have the March results by May.

Chair Margetson found it depressing that the hotels are flat, and the increase was short-term rentals.

Mr. Randall explained for the hotels to be flat on revenue in February when there was no skiing and a 30-day session, speaks to the strength of the market.

Ms. Delgado agreed. They have seen an incredible decrease in film yet some of the best in January and February.

III. Final Report NMPBS – Michael Kamins

Mr. Kamins introduced himself and the Director of Content, Ms. Joan Rubecki.

Ms. Rubecki announced they now have 5 PBS channels.

Mr. Randall said they were not worried about how they spent the OTAB funds, but key is to discuss the distribution and where the program could be seen and what value it brings to Santa Fe.

Mr. Kamins explained the packet has the Carriage Report, a breakdown of their national distribution. There are 19 stations across the country that aired the program for a total of 40 times.

Markets the Board might be interested in is Los Angeles which aired an hour of Painting Santa Fe and from there Las Vegas then the Midwest and Alaska. This is the beginning of the 3-year rights period and the list would continue to grow.

The benchmark used was when they distributed Painting Taos eight years ago which hit about 47% of the PBS stations. He anticipates Painting Santa Fe will get more traction and early results point to that.

Member. Pettus asked if the 90-minute duration was because the show was a fund-raising episode. Ms. Rubecki explained it was part of the pledge drive was for six minutes and pledged numerous times up to the 90 minutes.

Mr. Kamins pointed out the airings are listed in the Carriage Report and the program aired at least 10 times and is one of their most popular shows. Ms. Rubecki added they received a lot of calls from donors expressing how much they liked the program and asking when the show would be aired again.

Mr. Randall asked if they would continue to receive the Carriage Report and quarterly would be good and they could include it on their agenda.

Ms. Rubecki replied she could arrange that. PBS sends information out through their service on the programs they offer, and information and promos and photos are provided. Stations can go on the PBS website and download a program for free anytime. They know through their system when a program is downloaded and runs in a market.

She added that they have a lot of free program offers come in and started the free download about 15 years ago.

Chair Margetson asked what the coverage is for the program for 30 days.

Mr. Kamins reported there were 250 stations and the program receives about 80% depending on the type and size of the market.

Mr. Randall was excited to see Austin on the report four times and Cincinnati, which is a good potential market.

Ms. Bruneni noted regarding air times that she did not care when a program aired, she records them.

Ms. Delgado pointed out that in markets where they do no media or little media it is an added value.

Mr. Randall asked if there was a report that gave the size of the markets. Ms. Rubecki offered to get that for him.

The Board discussed the information in the report and the abbreviations; *ch* for channel; the digital system of broadcasting with .1 as the primary channel, .2 channels are carried on Comcast, Direct or Dish TV, etc. DMA is *designated marketing area* and tells the size of the city.

Chair Margetson asked how long it took to make the program and what the budget was.

Mr. Kamins replied that the program took about a year and cost \$101,000. Ms. Rubecki added a lot of time was spent researching and working with organizations to get archival photos and set up interviews etc.

Ms. Delgado asked if the program was submitted for any awards because it would be great "Best Coverage" they could push in the national press coverage if they won. She asked them to let Mr. Randall know if an award is won.

Mr. Kamins replied the program was submitted to the Rocky Mountain Emmy's.

Chair Margetson thought for \$25,000, it was phenomenal coverage. He thanked them both.

Ms. Delgado asked if there was a video promo of the show they could send to her.

Ms. Rubecki agreed to send that and indicated it was okay to put on their web site.

Mr. Kamins said they had yet to finesse if they ask for V-rolls and he was still trying to figure out what that means. He offered to provide a contact to Ms. Delgado.

Chair Margetson thanked them for everything and asked if they do something else, what that would be.

Mr. Kamins shared a couple of ideas, explaining he had made good friends at the Georgia O'Keefe Museum. He proposed looking at Georgia O'Keefe's arrival in Santa Fe and how she became established. He noted a wonderful quote she made when she initially came to New Mexico, "*The place is full of*

wideness and wonder”.

He thought they might be interested in her arrival in New Mexico and getting established. The Georgia O’Keefe Museum is tracing her footsteps and where she was when she painted a specific painting etc. His idea was to use drone footage and landscaped time lapses and her house to create a portrait of New Mexico through her eyes.

Mr. Randall stated he had previewed the O’Keefe Center in Abiquiu and the tour guide showed paintings and where O’Keefe had viewed them from and what her thought process was when painting them. Her last painting is still in the house and he thought that would be a big attraction that would not only help Santa Fe but the museum as well.

Member Lucero asked if Mr. Kamins had talked with Gerald Peters, who knew a lot about O’Keefe.

Mr. Kamins said he thought of Mr. Peters as his Painting Santa Fe Godfather and Neidre had been instrumental in making the program happen. She opened doors to funding and enabled him to go through the best collections of Santa Fe art and introduced him to people he would not have met. Mr. Peters got the narrative together and proofed it and did the final edit and offered him any of the 150 best Santa Fe paintings in his archives.

He and Ms. Rubecki also had an idea to do a documentary about Maria Martinez, New Mexico’s first and most famous woman artist. Everywhere he went Maria and Julian were there and Chris Wilson, author of Myths of Santa Fe is researching Julian and opening a new part of that history.

Mr. Kamins indicated he recently worked with SAR and the Martinez family on a story about the pots made by their family.

Mr. Randall asked his thoughts on doing something on Lew Wallis writing Ben Hur at the Palace of Governors.

Mr. Kamins said they covered that a little when he worked with Fran Levine when she was writing for the History Museum and there is a great story there. Both ideas would have a strong national interest.

Mr. Randall preferred the O’Keefe idea because of the strength of her name and because the story about Maria Martinez would require more preparation.

Chair Margetson added with Joe, they also have the history of all of the movies made in Santa Fe in the last 100 years.

Mr. Hendry said it would be easy to get rights to the old American history of films.

Mr. Kamins revealed PBS would soon air an interview with Max Evans discussing going to Hollywood with Dave Cargo to pitch to the Film Commission. That also has a lot of great history.

Ms. Rubecki asked the process and timeline if OTAB wanted to do the O'Keefe piece.

Mr. Randall explained the Board does its grant review in November. The other way would be to meet with him in the early part of the year. He is able to put some things in the budget as a one-time expenditure.

Chair Margetson thanked Mr. Kamins and Ms. Rubecki and they departed.

Mr. Randall indicated the report on tourism for March is on pages 22-23 and shows geographically the top ten cities for the month and YTD. Denver is huge, and Austin is overtaking Dallas and Houston as a single source.

Mr. Hendry noted Meow Wolf was huge in Austin and there was a lot of Texas and Colorado.

The members discussed the major geographical areas.

Ms. Pettus asked if there was a way to determine who owns second homes and where they are from. She knows people from Oklahoma with second homes in Santa Fe and they do not rent a hotel room because they own a home here.

Mr. Randall thought County property tax records might reveal that. If they could determine out of state addresses of the owners that would tell them if they used the out of state as a primary residence.

He asked Ms. Ortiz to contact Mr. Hyer and ask for a zip code list on Excel of all property payers in Santa Fe and input that into the system.

Mr. Hendry said one reason for Oklahoma being on top is that they have a reasonably priced media market. Austin has become that way and all of them will be there in five years. Oklahoma is a cheaper place to advertise compared to Arizona and California.

Mr. Randall indicated Phoenix is marketed because of the direct flights but he found it amazing that people in Austin drive to Santa Fe, but those in Dallas and Houston fly.

Chair Margetson mentioned he flew direct from Austin to Albuquerque and it was wonderful. Member Lucero noted that Southwest was advertising \$49 fares from Albuquerque to Phoenix.

IV. Northern New Mexico Air Alliance Update

Chair Margetson reported the Phoenix flight had fewer than the previous year and is disappointing and frustrating. They introduced the pre-TSA and at the end of May will have the baggage scanner.

Member Lucero asked about signs leaving the airport because people do not know where to go. The Board has discussed that many times.

Chair Margetson replied they are changing the signs that say Municipal Airport to Regional Airport.

He continued the report. The minimum revenue guarantee from the federal government has been consumed for 2018 but they still get 50% of their marketing expenses reimbursed by the State.

Marketing – they launched a campaign to spend \$80,000 for the Phoenix flight and hoped at the same time to find another destination. The top three destinations people identified when asked where they want to go is Los Angeles, Chicago and Houston.

They have tried to contact Alaska Airlines but were unable to because of the merger with Virgin Air but will try again once the merger is done. Frontier is flying into Albuquerque from Austin but does not fly to Santa Fe; United continues to be strong. The flight from Dallas is full all the time but the Phoenix flight is struggling and is not the homerun they hoped. The summer season is secure, but fall is uncertain, especially without the federal revenue guarantee.

Nick Schiavo is still the Airport Manager but might be moved into another position. He has done a wonderful job. Parking is being discussed and Al Libby has contacts with the Cook family to discuss a two-lane road on the bypass of the bridge that goes nowhere.

Mr. Randall noted a newspaper article about the 600 applications for the exempt jobs. It was encouraging that people were interested in the Regional Airport Director Position and the article suggested several of them manage other airports.

He agreed Mr. Schiavo is doing a great job but is working two jobs and they need someone full time that loves the airport and could give it the energy it needs to be successful. The staff is still a little dysfunctional.

V. Visit Santa Fe Activity Reports:

a. Sales Report – David Carr

Mr. Carr reported March sales were up in all areas except for confirmed room nights (page 37). They were down about 1,600 room nights but will be ahead in April because of the strong first quarter in 2018.

He and Mr. Randall attended the Travel and Adventure show in Denver and would again next year. They received about 800 emails from the event that had about 10,000 people total.

Mr. Randall noted capturing 10% of those attending in the emails shows the interest in Santa Fe is strong. They have discussed a bigger section next year and committed to 6 and hope to grow to eight.

Member Lucero asked if Wine and Chili could successfully participate in the event.

Mr. Randall thought it would not be of value unless participation was just to support the effort.

He noted of the two or three different giveaways the most popular were the sunglasses costing \$.40 apiece. They ran out of the 1000 brochures they took whereas in Dallas they brought 400 brochures back.

Member Pettus said Denver is huge and people she talks to remark about the freeways and traffic.

Mr. Carr continued the report. He indicated he had attended the Commerce Direct show in Los Angeles and has a group that will return to Santa Fe. Kim attended the SMART meeting in Chicago and will submit a report this week.

He and Cynthia will attend IPW in May and she will meet with the press and he has requested 50 appointments but has not received confirmations. The State puts money toward IPW and he plans to talk to Amy about the doing the Denver and Dallas Travel and Adventure.

Page 41 shows \$39,000 on the books for 2018 and with a group they anticipate contracting with this week, will be almost 40,000 rooms.

Mr. Carr indicated he is the liaison between the City, NGA and Laura Kesselman. One of the big challenges is that Ms. Kesselman must get approval to plan, which lags when a request hits Secretary Latham's desk. He is hoping with the support of the Mayor that he can get the responses he needs.

Mr. Randall pointed out, as a City and County venue, they also need to determine what information is needed; the streets that will be closed, the number of police escorts required, etc. There are a lot of details that if left last-minute could be aggravations.

Mr. Randall reported they received permission to bring in an E-90 (Emergency 90-day hire) to assist with Mr. Carr's duties. He also talked with the County Manager and offered to have Mr. Carr represent their interests as well.

He asked Mr. Carr to remind the County Manager about that and let her know unless she feels a written agreement is needed, they would just do it by acceptance.

Member Hendry asked who would pay, because he had a weird conversation about New Mexico True and was told they have no budget for certain things.

Mr. Randall explained the Secretary of Tourism chairs the fundraising effort and there is no obligation for this organization and there are many companies interested in the NGA meetings. The companies are considered corporate fellows like Coca-Cola and Raytheon who budget annually to support the summer and winter meetings. He pointed out the emphasis is nonpartisan.

Ms. Delgado indicated she is working with NGA staff on the spouse program which was designed by NGA on what spouses enjoy. Committee members or volunteers would be brought in if needed.

Mr. Carr stood for questions.

Chair Margetson referred to the airport and noted there were 71k enplanements in 2016 and in 2017 that had increased to 95k, or 34% leaving Santa Fe Airport.

Mr. Hendry talked about doing satisfaction surveys years ago. He said we assume we know what people like and don't like about the airport, but we do not ask them. He noticed a Facebook post that was very positive and thought that people complained about things having to do with the airlines, not the airport.

He suggested it would not be a lot of money to do a survey in the airport asking people about their experience.

Chair Margetson remarked that Mr. Hendry's idea for the Phoenix radio station was tremendously successful and 12-15 hotels gave away one or two-night stays. The radio station phone lines at one point crashed because of the calls. The promotion was very successful.

Member Bruneni indicated that she would have to leave soon.

b. Marketing Report – Cynthia Delgado

Ms. Delgado reported (page 42) in the first quarter of 2018 total Paid Media was a little more than \$142,000 (37%) and was less than 2017.

In addition to their core campaign, Match Cut, there were two major campaigns: Artists in Residence and Kids Free.

Digital Media continues to be a focus and in the 2nd quarter there will be more focus on print media and drive markets.

Adara impact is making progress and participating hotel reports show 885 hotel bookings and 2200 flight bookings with \$181,000+ hotel revenue.

To date La Fonda, the Hotel Santa Fe and the Heritage Properties downtown have joined the data coop. They are working to get the pixel onto the reservation systems, and on a positive note it is a tool they can use to look at ROI.

Mr. Randall added at \$25,000 it is an expensive tool.

Web site visits are down but the average time spent on site is up, they believe because advertising is working. The home page has been updated with more visual and contemporary and business listings can be updated and add more pictures.

The Convention Center components of the web site will be worked on and the interface for the convention center meeting and group planners will receive the same update.

An RFP for the web site for the next 4 years was just finished. Their platform being used is old and to move to a new site they determined costs would be \$80-\$100k and the decision was made to recommend continuing with Studio X.

Studio X will be required to produce a minimum of \$75k a year of advertising on the web site and falling short of that \$150 will be deducted from their contract. Studio X allocates \$30,000 per year to write the newsletter and comes out of their contract. There is an option to pull out of the newsletter work if they find a way to do the newsletter internally, but expansion would be needed and is not in the current budget.

Doing the newsletter internally still requires a \$5,000 fee but they could do a better newsletter and the same person could do advertising sales and support internal efforts in writing, PR, and social media, etc.

Mr. Randall thought there was enough capacity to hire a person and the savings pay for all of it. He indicated he has agreed to wait a month or so before presenting to Council and OTAB may need to support the recommendation.

Mr. Hendry said the most popular new feature is bloggers and there has been a wave of hiring professional writers and there are a lot of them around. He mentioned a woman who once worked for a friend of his that is looking for a job.

Mr. Randall asked Mr. Hendry to put her in touch with him and he would consider hiring on a contract until he could get permission to hire.

Member Hendry added he could never understand why the Arts Commission gives grants but does not ask them to spend some on advertising. It is the same money and should be tied in.

The web site needs more advertising and he thought even if 10%, that should be a condition of the grants.

Member Hendry remarked regarding the airport, who cares if the sign says *partially funded by the OTAB* - it should say Fly Santa Fe. He was glad they were going back with Studio X because there are more opportunities.

Ms. Delgado said they received good coverage regarding public relations, but it was in print magazines with small distributions. Santa Fe was covered in 4-5 magazines in Oklahoma, Phoenix, Boston, New York, AAA New Mexico, Toronto, Fort Worth and San Diego. They are continuing efforts to be in national and drive markets.

Blog page views are down but the average time is up. They realized the web site referrals did not have as many links as they should, and that focus will continue.

Social Media – they are still retaining followers and continue to post. She noted they were sent a request to vote on Condé Nast on their excellence.

Members discussed problems with trying to vote. Ms. Delgado offered to assist them.

The Santa Fe Artist in Residence Program – the packet provides an overview of the results. They met with the participants to learn what worked and did not and based on that feedback determined they will do the program again next year.

Fly Santa Fe is supported with ideas and an overview is in the packet.

Mr. Randall previously provided an overview of the website contract and they are also in the public relations RFP process and interviews are planned next week.

2018 Santa Fe Kids Free Spring Break – the initial results are displayed, and a final report will be prepared. They are working with Southwest Planning to do an email survey of participants that have asked for more information.

They are part of the Ryan Dodge team for Santa Fe Music Week and the press release will go out today about the event.

The Santa Fe Margarita Trail is on May 5th, Cinco de Mayo and is a continuing focus and their second anniversary. They are leveraging the app and the Margarita Society and scheduled a social media Margarita Trail crawl with about 10 influencers participating.

Mr. Randall added in conjunction with that they will do Zozorita – the Zozobra commemorative blast – on May 10th at the Hotel Chimayo from 2-5 p.m. at the Lowrider Bar. He suggested taking the passport brochures.

Ms. Delgado noted full reports were provided in the back of their packets. She added she has put together a strong team for marketing.

Chair Margetson asked about the Arts Commission requiring those who donate to put Fly Santa Fe on their literature etc., and if Mr. Randall could impose or request that.

Mr. Randall replied he could request, but not impose it. Ms. Garcia remains true to what is specified in the enabling ordinance regarding requirements, but he could suggest it is an opportunity to look at how the Arts Commission operates. The Commission actually only supports 27 organizations, not all of Santa Fe.

The Mayor Pro-Tem is interested in working with him on how the Arts Commission could be restructured to provide more benefit to all of Santa Fe.

Member Hendry offered to work with Mr. Randall and noted the same people keep getting the money and that is not supporting Santa Fe artists.

Mr. Randall reported in addition to the changes in the City Manager and HR Director they are moving forward as if their 13-member exempt staff will remain in place.

Music Week will be August 24 through September 3 and includes a performance by the Mavericks to benefit NDI at the Opera on Labor Day evening.

Destimetrix is a \$55,000 dollar a year expense and he plans to meet with the Hotel GMs to determine if the information is worth that. Informal feedback from one GM was that the information was nice, but he would not pay for it.

Mr. Randall noted he would present their budget this afternoon and is \$11 million in expenditures - from the Lodgers Tax 10.8 – a \$500,000 increase in spending.

He indicated that the Mayor intends to reopen the budget process if the State allows, and after six months if they are ahead or equal to last year's budget they should be able to add another half a million dollars to the budget.

Mr. Randall talked about how he balances his budget and that he had to take \$270,000 out of the budget for advertising.

Member Lucero asked if the budget included debt service.

Mr. Randall replied it includes debt service and amortization on the building at \$2.2 million per year. There are two points of Lodgers Tax, 6th and 7th, that is a special tax that will go away if they do not have debt service to pay for or losses in the operation.

Member Hendry pointed out they should charge for the convention center because they could lose half million dollars.

It was noted that the tax pays for two things - the building and the losses of the building and they would get more people in town and make more money than charging for the building.

Mr. Randall explained they instituted a standard 6% rebate from hotels to offset the cost because they benefit from using the space. They negotiate the price and most groups are used to paying something for space. Specific money is included for NGA and about \$50,000 is new to support the Sister City Challenge.

Mr. Randall indicated they want to add value to the sister city relationships and have talked with people in Italy about the Italian Film Festival. OTAB awarded them \$20,000 with no ROI but this is their 3rd year and there could be a tie-in with Sorrento, a Sister City in Italy.

Member Lucero asked who their sister city in Spain is. He was told there are two - Santa Fe and Sevilla.

Mr. Randall said last, he is trying to put together an opportunity to provide marketing support to the gallery scene in Santa Fe. Galleries need a demographic of ages 55-60 that like fine art. He plans to take \$100,000 from the advertising budget and ask the Arts Commission and the Gallery Association to match

the amount to create a pool of 300,000 dollars. The money will be used for a separate marketing creative brief to target the desired demographic. That demographic stays in high end hotels when they come to town and that could benefit Santa Fe.

MOTION: Member Lucero moved to endorse the program. Ms. Pettus seconded the motion.

VOTE: The motion passed unanimously with all members voting in favor and none against.

Mr. Randall asked members to think about other giveaways.

The members discussed give-away item possibilities that included lip gloss and sunscreen. Mr. Randall stressed the items should have continuing value, not just eye appeal.

Chair Margetson questioned Mr. Randall on his comment that the budget is subject to State approval.

Mr. Randall explained the City budget before implemented must be approved by State Finance and changing the budget also requires State approval.

Member Pettus asked if the Plaza would be open or closed this year and if they would have a clean-up day.

Mr. Randall replied he was aware that Buddy Roybal had scheduled a painting day and Mayor Webber has asked some people to let him know what they could do to help. Regarding closing the Plaza, he has not heard yet if the Mayor will continue that, but he would encourage that.

Member Pettus indicated the visitors and bandstand and most businesses liked the closure.

Mr. Randall pointed out that all of the member's terms were expired. He will ask the Mayor to focus on that and recommend before reappointing the Board, because they can serve until replaced, the requirement be removed a member must reside in the City. Current members will continue to serve until they are replaced.

The Board discussed requirements of other boards.

Member Hendry thought they should be merged into one board.

Mr. Randall indicated he has initiated conversations with the County Manager, County Commission and the Mayor Pro Tem of Santa Fe to discuss the topic and noted for the record, "*with no intent of trying to comingle the funds*". He just wants them to work on a joint mission with the understanding of how they could together benefit tourism. They could comingle their efforts without joining their funds.

c. Executive Director Report - Randy Randall

Mr. Randall had nothing further to report.

VI. Other Matters by the Board

There were no other matters by the Board.

VII. Adjournment

The meeting was adjourned at approximately 11:45 a.m.

Approved by:

Paul Margetson, Chair

Submitted by:

Carl G. Boaz for Carl G. Boaz, Inc.