

MINUTES OF THE
SANTA FE COUNTY
LODGERS TAX ADVISORY BOARD

March 14, 2017
Santa Fe County Commission Chambers
Santa Fe, New Mexico

I. Call to Order

This regular meeting of the Santa Fe County Lodgers Tax Advisory Board (LTAB) was called to order by Chair Rich Verruni at approximately 9:00 a.m. on the date cited above in the Santa Fe County Legal Conference Room, Santa Fe, New Mexico.

II. Roll Call

The following members were present:

Members Present:

Rich Verruni, Chair
Meredith MacFarlane, Vice Chair
Katherine Fox Ehlert
Laura Hudman
Thomas A. Romero [arriving later]

Member(s) Absent:

None

County Staff Present:

Tony Flores, Deputy County Manager
Lisa Katonak, County Manager's Office
Alejandro Cintron, Senior Account Manager
Kristine Mihelcic, Communications Coordinator
Chris Hyer, Economic Development Manager

Others Present:

Dave Hayduk, HK Advertising
Clarissa Lovato, HK Advertising
Wendy Forbes, HK Advertising
Dawn St. George, El Rancho de las Golondrinas

III. Approval of Agenda

Member MacFarlane moved to approve the agenda as published. Member Ehlert seconded the motion and it passed by unanimous voice vote. Member Romero was not present for the vote.

IV. Announcements

Member MacFarlane announced that the Hospitality Network meeting for April will be held at Four Seasons for first time. She invited people to come for the breakfast meeting.

Member Romero arrived at 9:06.

V. Approval of December 8, 2016 Regular Meeting Minutes

Ms. Katonak asked for a change on page 2 where Tim Fowler is the Director of Bike and Brew, not Bicycling New Mexico. And on page 5-6 in the Financial Report, second paragraph, Member MacFarlane asked for information to be summarized.

Chair Verruni suggested condensing that part.

Member Ehlert suggested bullet points.

Member Romero asked ~~if~~ have his comments struck on page 10.

Member Hudman noted a misspelling on page 2 near the bottom.

Member Ehlert moved to approve the December 8, 2016 minutes as corrected. Member MacFarlane seconded the motion and it passed by unanimous voice vote.

VI. Election of LTAB Chair for 2017

Chair Verruni asked for nominations for LTAB Chair.

Member Romero proposed reelection of present officers.

Mr. Flores clarified that each officer must be elected separately.

Member Romero moved to re-elect Mr. Rich Verruni as Chair for 2017. Member MacFarlane seconded the motion and it passed by unanimous voice vote.

VII. Election of LTAB Vice-Chair for 2017

Chair Verruni nominated Ms. Meredith MacFarlane as Vice Chair for 2017.

Member Hudman moved to reelected Member MacFarlane as Vice Chair for 2017. Member Romero seconded the motion and it passed by unanimous voice vote.

VIII. Grantee Report

El Rancho de Las Golondrinas, for the 2016 Renaissance Fair and Harvest Festival. Dawn St. George, Director

Ms. St. George was welcomed and provided a handout for her report on two events at El rancho de Las Golondrinas. She said the Renaissance Fair had a substantial increase over the previous year with more attendance from Albuquerque and other parts of the State. They advertised statewide and used rack cards in many hotels, motels and restaurants. Facebook also scored high for them. Southwest Marketing and Planning provided the demographics for which they were grateful.

She said the Harvest Festival did well also. Albuquerque visitors improved for them. They also draw from Colorado and Texas. They were able to increase advertising from \$3,000 to \$5,000. They drew about 25,000 for the Harvest Festival. The Harvest Festival ranked second in the country. The first was in Pennsylvania which was a week-long event and theirs is two days long.

Approximately \$48,000 in taxes were paid from the events. They plan to do four festivals next year. They worked with Tourism Santa Fe this year and were grateful for their promotions.

Chair Verruni thanked her for the report.

IX. Financial Report

Santa Fe County Finance Division - Lodgers' Tax Financial Report (Pro-Forma)

Mr. Cintron provided the financial report for Lodgers' Tax. Year to date total is \$276,327.14 and February was \$13,075.05 with Encantado as the largest contributor and Ten Thousand Waves as second highest. He commented that this year's revenue is slightly behind last year but doing quite well.

Mr. Cintron pointed out that the County is currently trending well with a revenue stream average above the average 2015 and 2016 even without Bishops Lodge in operation. Individual facilities have been trending higher so the overall result is that LTAB is doing quite well.

In response to Chair Verruni, Mr. Cintron said the revenue from Sunrise Springs is \$316.70.

Mr. Flores said the pro forma is important by indicating that marketing, does have value for Santa Fe County.

Chair Verruni commended Mr. Cintron on for his work over the last few months. Showing trending is very important.

Member MacFarlane said they have clearly seen an increase at Encantado. The advertising in tandem with the State has helped and she is cautiously optimistic it will continue.

Chair Verruni agreed, and the synergy of County and City has helped.

Member Hudman noted that no City representative has attended recently and wondered if the County has a representative at their meetings.

Mr. Chris Hyer introduced himself as the County Economic Development Manager and explained that he is the County representative at the OTAB meetings. He said OTAB is working on an effort to reopen the La Bajada Visitors' Center and searching for funds to support its operation.

Chair Verruni said Mr. Randall came to the Santa Fe Lodgers Association meeting. The Association approved a no-cost support for the re-opening. He understood that Mr. Randall is trying to raise about \$60,000 for staffing the center.

Mr. Flores reported that he met with Mr. Randall two weeks ago. Mr. Randall requested \$20,000 from the County for advertising and marketing at La Bajada. The County cannot help with staffing.

Chair Verruni said if there is an opportunity to support it, he would like to see that. The numbers went down when the State closed La Bajada on weekends.

Member Hudman commented that the Visitor's Center gives initial impressions to a visitor coming in. She would have some concerns about quality there. When she was there, she had cold feelings from it. If it is supported, they need to improve the facility inside and out.

Chair Verruni noted that it is the only Visitor's Information Center near Santa Fe. He didn't know how much it provided in room nights. Mostly, it impacts activities. But it is an image. It is something to consider and Mr. Randall is approaching it as a test.

Member Romero's concern was if it just promotes the City, it would not be the best use of the LTAB funds and he would be more inclined to support it if it promotes the north as a gateway instead of just a site for the City.

Chair Verruni thought his approach was primarily for the City but also would be for the County and the north.

X. Advertising Agency

A. Advertising Agency Report - HK Advertising by Dave Hayduk

Mr. Hayduk provided the PPT for the Board and made comments while showing it.

He was excited to see what was happening: spending is up, jobs are increasing, and it gives benefit for the tax base. He estimated about a 7:1 return on investment. The Santa Fe County campaign objective is to drive visitors to the website and target Millennials. Advertising is in D Magazine, Texas Monthly, Southwest Magazine, Outside; New Mexico Magazine. Ms. Forbes is pushing out the imagery.

There is a great digital at the airport baggage claim area and two great fabrics on the wall. They are also at D/FW Airport in the next two months. They are doing co-op advertising with Santa Fe Tourism on the Turquoise Trail and also emails and blogs. Drive markets are Texas, Colorado, Oklahoma, Arizona and California. Fly markets are Phoenix, Dallas, El Paso, Colorado Springs and others.

Ms. Forbes said they started from scratch on Facebook and it has done well. But since the election we've seen not as much traffic on Facebook with a retreat into politics. So, she will keep up Facebook but really concentrate more on Instagram, posting maybe more than once per day. Twitter is trending older now. People tend to be more active on Twitter than Facebook.

Member Romero asked if the focus is more on surroundings.

Mr. Hayduk agreed. It is to get an experience to take home with them. The video is

for internal uses. All but the music is licensed to Santa Fe County.

Chair Verruni said what he showed was the best video promotion for Santa Fe County he had ever seen.

Member Ehlert asked if the County has a clipping service.

Member Hudman said we are moving to Google alerts rather than a clipping service. It is easy to use and costs less.

Member Hudman asked how we are trending on readership with the blog.

Mr. Hayduk explained that the blog is the New Mexico True site. We do the writing for it.

Ms. Forbes added that we do drive to the blog and it is posted on Santa Fe.org. Digital posts on our social media. Digital allows the use of Youtube.

Mr. Hayduk said the emails and mailing lists are growing and now over 20,000. The Visitors' Guide is coming out soon. It may have a winter cover and a summer cover. Both are awesome.

Chair Verruni asked that they include the Equus list also.

Mr. Hayduk agreed. He said the National Geographic coverage of the Santa Fe Opera is huge. Lots of excitement for next summer.

Ms. Lovato said they ran a video for Austin and got 3 million impressions. It was interesting data that came back - primarily female, but targeted there. She added that they over book-marked Facebook and was outperformed by 800% on Google Travel.

Chair Verruni asked Mr. Hayduk to consider a package like a night at Rancho Encantado, bike trail, spa - as a Life Style package for the fall as a way to build our database.

Mr. Hayduk agreed to work on it.

Ms. Katonak said regarding the digital contract that it is based on response and in the future, what publications or media we want to employ. The County will incorporate more programming in digital, based on that response.

Mr. Hayduk was really encouraged by the fact that people were spending more time on the web site when they visit.

Member Hudman asked if we are able to get the value regarding leads, and the digital preference.

Mr. Hayduk agreed.

Ms. Forbes said many of their placements included editorial and were provided in digital format.

Chair Verruni asked if the members could get copies of the video presentation and Mr. Hayduk agreed to email them right away.

XI. Administrative

A. Other Activities

Mr. Flores said as the County transitioned 15 months ago from the previous LTAB Board to the current LTAB Board, a conversion to digital and the Board made a commitment for the first year. He could not find any digital media or clips from the previous LTAB contractor. So what Ms. Katonak and Mr. Hayduk have done is for the Power Point and video to show it all. He thanked the members and Ms. Katonak for taking on that risk because it means the County is able to display what is offered in a way never available before. The number one target aside from Texas is said to be San Francisco and the Bay area for 2017-2018.

B. Board of County Commission Presentation

Mr. Flores said that as part of Mr. Hayduk's contract, he has to show the presentation to the BCC. And since this is a recommending body, that is why he has shown it to LTAB today, ahead of the BCC meeting. He will show the video this afternoon to the BCC.

Mr. Flores anticipates questions from it so he was looking for members to be at the meeting. It starts at 2:00 and hoped to have the video shown by 3:00. It is important to have the board who oversees it represented there.

Member MacFarlane and Member Ehlert agreed to be present. Member Hudman will try to attend.

C. FY18 Budget Discussion

Mr. Flores said Lodger's Tax is trending up about \$60,000 over last year, but won't be in the bank until September or October. So, the direction of the County Manager is

that we are trying to at least keep the budgets flat. So, it is \$329,000, the same as last year, for two purposes. Half is purely for marketing and advertising and half into the Lodgers' Tax Facilities Fund for capital improvements to Santa Fe County attractions. That half could be used for bricks and mortar or for tourist events and facilities. He did not anticipate grant requests changing, depending on the results of the budget approval.

He and Ms. Katonak will put the two budgets together \$135,210 for facilities under contractual services and \$219,000 for marketing.

But he noted the requests from Mr. Randall on the City initiatives. The County collaborates with them quite a bit; but maybe not to the extent they would like. Mr. Randall asked for \$20,000 for marketing and advertising at the La Bajada Visitors' Center and \$50,000 for advertising with Tourism.

With the assistance of Ms. Mihelcic, he has taken from her budget for additional advertising initiatives. We will see the projections next month and may have \$20,000 left in the bank. With the new ad campaign Ms. Katonak was successful in getting from the State, brings the campaign dollars close to \$50,000. Now, it is March and we need to start thinking about a strategic planning session and the summer campaign. The next meeting should be focused on the budget.

Member Romero recalled the language to support the airport that there was a guarantee. He asked if that was part of the \$50,000 or if that was separate.

Mr. Flores explained that the money provided for the airport can only be used for marketing there.

Chair Verruni asked about AirBnB. He wondered what percentage of revenue is coming to the City from AirBnB sites in the County. There are a number of them located in the County whose Lodgers' Tax may be going to the City. He got the list from New Mexico Tourism but they are not identified by address. However, there are 1,300 to 1,400 of them.

Mr. Flores thought that could be determined since those in the City must be licensed.

Mr. Flores said a bill was introduced that was intended to have everyone involved in hospitality playing by the same rules and would change the definitions. That bill passed in the House side. He was not sure it would make it out of committees. But the feeling from our Board is that they are not in support of that legislation now.

His perspective is that Santa Fe County will always be the government that cares about its people. The local people are already being taxed more than they should be.

So, there will be no new taxes.

Chair Verruni said the Lodgers' Tax is not a tax on the property owner but on the end user. He asked, if it passes, whether the BCC would reconsider.

Mr. Flores said he would bring it back to them. The County follows the statutes as much as possible. He clarified some reasons for a home owner to not be in favor.

Member MacFarlane hoped it would pass since we need a way to generate more money.

Mr. Flores announced that Ms. Mihelcic is back from her leave.

The Board congratulated her on the birth of her baby.

Ms. Mihelcic reported that the County's social media will repost everything. She did a revamp of the web site and is posting on Instagram. We created an image specifically for NM Tourism for outdoor adventure. Also, a page on our site for government and a link to NM True.

This weekend he is traveling to Denver for a travel and leisure show where people will be looking for vacation destinations and will talk about Santa Fe County, etc.

Mr. Flores said they want to leverage the Economic Development Office with outside activity and good use of his time. We will now have Ms. Katonak, Mr. Hyer and Ms. Mihelcic work together on Economic Development opportunities. We will get a larger benefit with packaging of events.

Member Romero asked, in looking at the budget for 2018 if the LTAB could get some kind of analysis to know the effect of the grants to these people and the benefit realized. Ms. Katonak agreed to follow up on that.

Ms. Katonak said she has discussed the assessments as surveys for events and she will put in some kind of cost share for that. She mentioned the PSA with Southwest Planning and Marketing for another survey with Bike and Brew. They are putting it back to the Railyard. We will do everything on our part to get the word out on the County participation. We will have a booth with video streaming.

Member Ehlert volunteered to help at the booth if needed.

Member Romero recalled the members had talked about other possible sources of revenue and asked if that is now something to look at.

Mr. Flores said that is a recommendation to present to the Board since we need to

follow the ordinance. We can consider that but raise in taxes would be a problem.

Chair Verruni pointed out that although AirBnB is separate, there are 6-7 management companies in this area.

Mr. Flores agreed.


D. Next Meeting Data and Location

The Board set April 21, 2017 at 9:00 a.m. for the next meeting.

XII Adjournment


Upon motion by Member Ehlert and second by Member Hudman, the meeting was adjourned at 11:07 a.m.

Approved by:



Rich Verruni, Chair

Respectfully submitted by:




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

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

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I Hereby Certify That This Instrument Was Filed for
Record On The 14TH Day Of November, 2017 at 01:14:02 PM
And Was Duly Recorded as Instrument # **1841349**
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy  County Clerk, Santa Fe, NM

