

MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

July 16, 2018
Santa Fe County Legal Conference Room
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 Member Katherine Fox Ehlert at approximately 3:08 p.m. on the date cited above in the Legal Conference Room, Santa Fe County Administration Building, Santa Fe, New Mexico.

II. Roll Call

The following members were present:

Members Present:

Katherine Fox Ehlert
Daniel Goodman
Ryan Miller
Tomás A. Romero

Member(s) Absent:

Nicole Fiacco

County Staff Present:

Lisa Katonak, Executive Administrator
Tony Flores, Deputy County Manager
Kristine Mihelcic - County Communications Coordinator
Stephanie Shardin Clarke, Finance Director
Chris Hyer, Economic Development Manager

Others Present:

Bruce Adams, Visitor's Guide Contractor
Vera Hayduk, HK Advertising [telephonically]
Carl Boaz, Stenographer

III. Approval of Agenda

Mr. Flores requested an amendment to the Agenda to move VIII, Tourism Proposal up after approval of the minutes.

Member Romero/Member Goodman - unanimous. 3-0

MOTION: Member Romero moved, seconded by Member Goodman, to approve the revised agenda as amended. The motion passed by unanimous (3-0) voice vote.

IV. Announcements

There were no announcements.

V. Approval of May 14, 2018 Regular Meeting Minutes

MOTION: Member Goodman moved, seconded by Member Romero to approve the minutes of May 14, 2018 as presented. The motion passed by unanimous (3-0) voice vote.

VIII. Tourism Proposal Presented by Randy Randall, Tourism Santa Fe

Mr. Bruce Adams introduced himself as the producer of the Santa Fe Visitor's Guide and said Mr. Randall had asked him to meet with him here but Mr. Randall was not present.

Mr. Adams said they discussed what seemed to be redundant to have both a City Visitor's Guide and a County Visitor's Guide and that we possibly could work together and save some money with one publication for both City and County. He explained how the City Visitor's Guide is broken out into categories like shopping, Native American Culture and things to see in Santa Fe. He proposed to add a section of things to see that are not part of the City but more for the County, and to have a County

Icon for those pages. The other way would be a special section for the County, but he does County things throughout and has it organized by the kind of activity.

Member Miller arrived at 3:14 p.m.

Mr. Adams proposed, if the LTAB wanted to pursue the idea, to begin a dialogue on what the Board wants to accomplish and see how it could work. Possibly a subcommittee of this group could come back with a final proposal .

Mr. Flores appreciated his offer. He explained that he was recommending the County maintain the New Mexico True brand and didn't intend to move away from that this year. He pointed out that the County has a very small budget compared with the City and the fund is used for events in the County. The Board would need a formal proposal from Mr. Adams to determine if we want to pursue this and set up a subcommittee. He appreciated this presentation because it is different than what he had heard. Mr. Adams said the distribution of City's numbers far exceed it. So the next step is a proposal.

Chair Ehlert asked what it would likely cost.

Mr. Adams said the cost depends on various factors.

Mr. Flores added that for the County to go outside of HK with whom we have a contract is a concern if it is different than a pull-out section - We are on a much smaller budget.

Mr. Adams was embarrassed that Mr. Randall was not present. Mr. Adams noted that many of their costs are covered already from the events. "But this is what we are already doing and if you want something beyond that, this is what my cost will be. I'm going for advertising dollars."

Mr. Adams said he produces 400,000 copies. He agreed to come up with some costs for the County, if they would like a calendar of events.

Mr. Flores explained that the County has taken a position not to have our County properties pay for advertising in the County guide.

Member Romero asked to what extent county interests were profiled in the publication.

Mr. Adams said it is not articulated as a county; it is just an activity that needs to be included regardless. No one questions whether it is a city or county activity. He said he would take the information back to Mr. Randall, articulate the LTAB's concerns.

Chair Ehlert asked how much it would cost and how much editorial and how many county items would be included? We really love New Mexico True and it is a brand that has a big following and we want to continue with it.

Mr. Adams - I will take this back to Mr. Randall. Let me articulate your concerns back to him. He suggested having a minimum number of events in the agreement. He noted that the City has control over the editorial content and has the final say.

Mr. Adams added that it goes to print in November and they begin distribution in January and also provide an on-line version. The City determined that schedule. So the deadline for copy is the end of October. That meant they would need to complete an agreement within the next five weeks. The on-line version would have hyperlinks that go to the County's website.

Responding to questions, Mr. Adams is located in Santa Fe and the printing is done out of state from quotes. He also produces his own magazines, including Santa Fean, Su Casa and Now Magazine. The Visitor's Guide and Hacienda are on contract. It gets paid through outside advertising - It gets printed out of state. He gets quotes from printing companies.

VI. Election of Officers

Mr. Flores said the term of the Chair would be December 31, 2018.

A. Election of LTAB Chair

Ms. Ehlert volunteered to serve as Chair. Member Miller seconded Ms. Ehlert's nomination.

Member Goodman nominated Member Romero.

Member Romero deferred and Member Ehlert was elected as Chair by unanimous vote.

B. Election of LTAB Vice-Chair

Member Romero was nominated as Vice-Chair by Member Goodman and seconded by Member Fox Ehlert and elected by unanimous vote.

VII. Financial Report

A. Santa Fe Finance Division – Lodgers' Tax Financial Report (Pro Forma)

Ms. Shardin Clarke shared the financial report and provided written copies for the members. She stated that she had changed the format to make it easier to read and welcome feedback. She reviewed it and noted that Short -Term Rentals are excluded from the report. The ordinance doesn't have that in the code yet and must determine how to account for those receipts.

Chair Ehlert said Air BnB does keep all the records and distinguishes County from City.

Ms. Shardin Clarke said the County has no agreement with Air BnB like the City has.

Mr. Flores described two options: The State could change the occupancy tax ordinance via legislation it and we would present the change to the Board of County Commissioners for potential inclusion; or Short-Term Rentals could be added to our tax code. The Staff can look at state legislation and follow suit. If we increase the tax, there is room for a 1% increase and that would require a full analysis.

Ms. Shardin Clarke went through the Financial Report and commented on comparisons in it. She commented on the three largest facilities and the fact that Bishop's Lodge remains closed, making comparisons with previous years more difficult. She noted that Bishop's Lodge still projects a spring 2019 reopening.

The Board discussed the Financial Report and what the budget should be for the next year. Mr. Flores commented on the conservative approach that has been used.

Mr. Flores pointed out that the City policy is a three-year maximum for grants, but he would like the County policy to be more flexible when people stay in County lodging. The County receives no revenue from City or Pueblo lodging.

Member Miller suggested the report include a by-month report and balance including reserves. Mr. Flores said the term is cash balance instead of reserves.

Ms. Shardin Clarke agreed to follow up on the suggested reporting.

IX. Advertising Agency

A. Advertising Agency Report – HK Advertising by Dave Hayduk (Pro Forma)

Ms. Hayduk was reached by phone and she reviewed the written report with the Board. She noted occupancy was significantly up at this time. Social media is also up for the year. She reviewed details of events. Media plans for next year will be spread out during the whole year and this year will expand the New Mexico True campaign with the coop advertising grant funds. Santa Fe County received one of the highest awards for the program.

Ms. Katonak added that she got a lead list today. She is collecting leads with Texas Monthly and AARP with over 1,300 mailing addresses and close to 900 email addresses. Last month, they gathered over 3,000 leads. After the PBS episodes were aired, visits to the County website

increased by 5 times.

Ms. Hayduk reported that a recent Hospitality Meeting, the Santa Fe Opera had presented that they are on track for record ticket sales with over \$9 million in revenue. Everything they have done in advertising is an asset. She anticipated a very big season for Santa Fe Opera. They are the most popular item in social media exposure.

Ms. Katonak noted last week Governor Martínez announced six straight years of growth for New Mexico tourism so New Mexico True continues to provide the rate of return and numbers support what the people in the State are doing. She also noted one of the top rankings by Outside Magazine for Best Places to Live- noting the outdoor adventure and recreation in Santa Fe. Ms. Katonak noted that Santa Fe County has been focused on outdoor adventure for over 3 years with LTAB and asked if HK, in the new media plan, would do anything different or still focus on the outdoor recreation.

Ms. Hayduk agreed it would continue. HK's amendment to the contract will be presented to the Board of County Commissioners at their meeting on July 31.

X. Administrative

A. Staff Update

Mr. Chris Hyer updated the Board on his activities that included his attendance at several tradeshow conferences.

B. Next Meeting Date and Location

After discussion on several possible dates, the Board agreed to meet on August 10 at 9:00 a.m.

The Board also decided on September 13 at 3:00 p.m. and October 26 at 9:00 a.m. for future meetings.

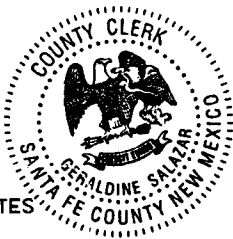
Adjournment

Having completed the business on the agenda and no other business coming before the Board, Member Goodman moved, seconded by Member Miller to adjourn the meeting.

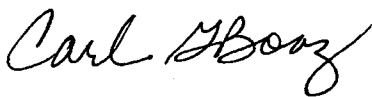
The LTAB meeting was adjourned at 4:45 p.m.

Approved by:


Katherine Fox Ehlert, Chair



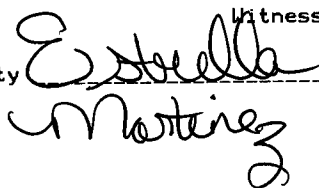
Respectfully submitted by:



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 24TH Day Of October, 2018 at 01:56:36 PM
And Was Duly Recorded as Instrument # 1870889
Of The Records Of Santa Fe County

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

SEC. CLERK RECORDED 10/24/2018

DRAFT

SUBJECT TO APPROVAL

SFC CLERK RECORDED 10/24/2018