

MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

October 25, 2012

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 11:15 a.m. on the above date by Chairman John Berkenfield at the Bokum Building, 142 West Palace Avenue, 2nd Floor, Santa Fe, New Mexico.

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

Board Members Present

John Berkenfield, Chairman
Karen Brown
Mary Johnson

Board Members Absent

Florence Jaramillo, excused
Cindy Racco, excused

Staff Present

Kristine Mihelcic, Media Production/Public Relations for Santa Fe County
Evelyn Valencia, Santa Fe County Finance Division

Others Present

Michael Koster, Director of Southwest Roots Music
Russ Rountree, Impressions Advertising, Inc.

APPROVAL OF THE AGENDA

• **Amendments**

Chairman Berkenfield suggested that the presentation from Michael Koster be moved up on the agenda. This was moved up after Approval of the Minutes.

• **Tabled or Withdrawn items**

None

Ms. Jaramillo made a motion to approve the agenda as amended. Ms. Johnson seconded the motion. The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: September 27, 2012

Mr. Rountree offered the following change to the Minutes of the September 27, 2012 meeting:

Page 3, 2nd paragraph from the bottom, last sentence was changed to read: "*There was no placement charge to the County for these ads.*"

Ms. Johnson made a motion to approve the Minutes of the September 27, 2012 meeting as amended. Ms. Brown seconded the motion. The motion passed unanimously by voice vote.

NEW BUSINESS

- **Presentation from Michael Koster, Director of Southwest Roots Music regarding the results of the Thirsty Ear Festival**

[Copies of the post-event report on the Thirsty Ear Festival were distributed in the Board Members' packets.]

Mr. Koster said this was the 13th annual Thirsty Ear Festival which was held from June 9, 2012 to June 12, 2012. The Festival was held over 5 days at three venues with the bulk of the performances at Santa Fe Sol (formerly Santa Fe Brewing Company). The Festival featured the highest quality internationally renowned folk, blues, alt-country, roots rock, world music and other traditional forms, as well as educational activities, a Kids Corral with children's programming, and local food, arts, and crafts.

Mr. Koster reported that this year's Festival attracted approximately 1,500 attendees, which is lower than the previous year. One of the primary reasons for the decrease in attendees is that the Lensic Theater was not a participating venue this year.

Mr. Koster noted that exit surveys were conducted and approximately 60% of the attendees indicated that they heard about the Festival through reputation or having previously attended, and the remainder heard through print, internet, radio, posters, etc. He mentioned that they had approximately \$15,535 of in-kind media exposure. He said he would have rather spent more of their budget on actual programming than advertising.

Chairman Berkenfield asked Mr. Koster how much of their audience comes from out of town.

Mr. Koster said 60% of the Festival audience (900 people) came from 50 miles or more outside of Santa Fe. Of those, roughly 30% or 270 people stayed in a hotel or B&B for one to two nights, totaling 405 room nights or \$40,500 in hotel income. He said it is unclear how many of these rooms were booked in the county or the city.

Mr. Koster concluded his report noting that they are talking about taking a year

off in 2013 and see what they want to do in terms of the future of the Thirsty Ear Festival.

OLD BUSINESS

There was no old business.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-October 24, 2012 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through October 24, 2012 noting total receipts of \$60,116.11 for July; \$60,672.20 for August and \$8,238.01 thus far for September 2012; total receipts to date are \$129,026.32.

Ms. Valencia distributed and reviewed the Facility Fund report through October 24, 2012 identifying the beginning cash balance of \$729,255.00; total lodgers' tax receipts reported of \$62,887.55; and expenditures of \$3,985.01 for FY'13 and \$13,977.70 for FY'12 Advertising Contract, outstanding encumbrances in the amount of \$108,014.99, leaving an anticipated cash balance of \$666,144.85.

Ms. Valencia distributed the Advertising Fund report through October 24, 2012 identifying the beginning cash balance of \$778,227.00; total lodgers' tax receipts reported of \$104,637.56; expenditures of \$24,545.42 for FY'12 Advertising Contract, \$6,641.67 for FY'13 Advertising Contract, \$1,975.00 for FY'12 Audit Contract; \$82.90 for newspaper advertising, \$6,500.00 for FY'12 Commitments and Other Fees (\$3,500 for El Rancho de las Golondrinas Spring Festival; \$3,000 for Southwest Roots Music for Thirsty Ear Festival); \$9,069.31 for FY'13 Commitments and Other Fees (\$69.31 for LTAB member; \$6,000 for El Rancho de Las Golondrinas Wine Festival; \$3,000 for El Rancho de Las Golondrinas Viva Mexico); \$244.34 for FY'12 Reporting and Recording, outstanding encumbrances in the amount of \$209,408.33, leaving an anticipated cash balance of \$624,397.59.

ADVERTISING AGENCY REPORT

- **Rocky Mountain Lodging Report (September)**

[Copies of the Rocky Mountain Lodging Report for the month of September was distributed and reviewed. A spreadsheet on tracking Santa Fe Occupancy Tax was attached.]

Mr. Rountree reported that occupancy rates are down 4% when compared to September of the prior year. He noted that he revised the spreadsheet on tracking Santa Fe's occupancy taxes. He added a column for the total number of hotel rooms for the month for each of the segments that are reporting.

Mr. Rountree said occupancy rates for the periphery area continues to be strong

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and occupancy rates for both downtown and the Cerrillos properties are down by approximately 5% when compared to this time in the prior year. The occupancy rates for the County were up by 3% when compared to this time in the prior year.

- **Bishop's Lodge Ranch Resort and Spa Time Capsule**

Mr. Rountree noted that Bishop's Lodge Ranch Resort and Spa, in celebration of their 95th anniversary, is having an event tomorrow to bury their time capsule and they asked if the County would like to put anything in the time capsule. The County can contact Richard Verruni, the Managing Director at Bishop's Lodge if they want to put something in the time capsule. Ms. Mihelcic offered to contact Mr. Verruni. The Board Members were invited to attend the event.

- **Old Items**
 - **City/County Press Fam Tour**

Mr. Rountree reported that the City/County Press FAM (tour) was held in October. Journalists were invited to produce travel coverage about the City of Santa Fe and the County of Santa Fe for national publications. Mr. Rountree noted that he spoke to Steve Lewis today and he indicated that all the journalists who came as part of the tour have never been to Santa Fe and they were very impressed with Santa Fe and its culture and history. At least three events were held at County properties; therefore the County was represented on the tour.

Chairman Berkenfield said if there is any funding left over from total \$10,000 that the County and City allocated for this, they could consider having another Press Fam tour in the spring.

Mr. Rountree said Mr. Lewis was very appreciative of the County's support for the Press FAM tour. Mr. Lewis expects that the first post of the tour will come out on Monday on *DailyMeal.com*. Mr. Rountree will forward any links to the Board that are sent to him.

- **Press**

[Copies of various press articles were distributed.]

An article in *NM Business Weekly* was distributed. It talks about the long term forecast for the lodging industry. They expect that the Albuquerque market will surpass the market's peak years in 2007 and 2008 by 2014.

An article in the *New Mexican* about the Harvest Festival at El Rancho de Las Golondrinas was distributed. Chairman Berkenfield noted that they had over 4,000 attendees at the Festival.

An article in *Cond Nast Traveler* was distributed. It states that Santa Fe was

