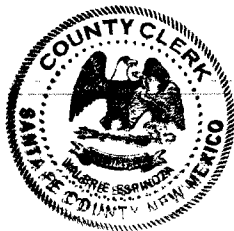


**INDEX OF MINUTES**  
**SANTA FE COUNTY**  
**LODGERS' TAX ADVISORY BOARD**  
**MEETING**  
**December 15, 2011**

| <u>ITEM</u>   | <u>ACTION</u>           | <u>PAGE(S)</u> |
|---|-------------------------|----------------|
| CALL TO ORDER   | Convened                | 1              |
| ROLL CALL   | Quorum                  | 1              |
| APPROVAL OF AGENDA  | Approved                | 1              |
| • Amendments  |                         |                |
| • Tabled or Withdrawn items   | None                    | 1              |
| APPROVAL OF MINUTES<br>October 27, 2011   | Approved [as submitted] | 2              |
| OLD BUSINESS  |                         | 2              |
| NEW BUSINESS  | None                    | 2              |
| FINANCIAL REPORT  |                         |                |
| • Santa Fe County Finance Division- Lodgers Tax Financial Report –<br>December 14, 2011 (Pro-Forma)   | Informational           | 2-3            |
| ADVERTISING AGENCY REPORT   | Informational           | 3-6            |
| ADMINISTRATIVE  |                         |                |
| • Next meeting date and location<br>The next meeting was scheduled for January 19, 2012 at 10:00 a.m. |                         | 6              |
| ADJOURNMENT   | Adjourned at 12:00 p.m. | 6              |

REC CLERK RECORDED 03/19/2012



COUNTY OF SANTA FE            )  
STATE OF NEW MEXICO        ) ss

LODGERS TAX MINUTES  
PAGES: 7

I Hereby Certify That This Instrument Was Filed for  
Record On The 19TH Day Of March, 2012 at 11:37:23 AM  
And Was Duly Recorded as Instrument # **1663602**  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
Valerie Espinoza  
Deputy \_\_\_\_\_ County Clerk, Santa Fe, N.M.

*Marcella Salazar*

**MINUTES OF THE**  
**SANTA FE COUNTY**  
**LODGERS' TAX ADVISORY BOARD**

**December 15, 2011**

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 10:30 a.m. on the above date by Chairman John Berkenfield in the Board Room at the Encantado Resort, Santa Fe, New Mexico.

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

**Board Members Present**

John Berkenfield, Chairman  
Florenceruth Brown, Vice Chair  
Lydia Frank  
Florence Jaramillo  
Mary Johnson

**Board Members Absent**

None

**Staff Present**

Teresa Martinez, Santa Fe County Finance Division Director  
Evelyn Valencia, Santa Fe County Finance Division

**Others Present**

Karen Brown, Santa Fe Skies RV Park  
Russ Rountree, Impressions Advertising, Inc.  
Jo Ann G. Valdez, Stenographer

**APPROVAL OF THE AGENDA**

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

**APPROVAL OF MINUTES: October 27, 2011**

**Ms. Jaramillo made a motion to approve the Minutes of the October 27, 2011 meeting, as submitted. Ms. Johnson seconded the motion. The motion passed unanimously by voice vote.**

**OLD BUSINESS**

Chairman Berkenfield asked for an update on the two properties (Raven's Ridge and Terrain-Santa Fe) that are in the County and may be operating as a bed and breakfast and therefore should be paying lodgers' tax.

Ms. Valencia said they were given a zoning code violation letter and they have not responded. She offered to follow up with Mr. Larranaga, Development Review Specialist Senior in the Land Use Department.

**NEW BUSINESS**

There was no new business.

**FINANCIAL REPORT**

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-December 14, 2011 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through December 14, 2011 noting total receipts of \$47,720.82 for September 2011; \$25,838.76 for October and \$789.27 thus far for November; total receipts to date are \$189,830.12.

Ms. Valencia noted that there was no report for Bishops Lodge in the month of October.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipt Analysis noting that there was a 33% decrease when compared to the month of November of the prior year. This report does not include the total collection of the November lodgers' tax because they are not due until December 26<sup>th</sup>; and it does not include the numbers for Bishop's Lodge.

Ms. Valencia distributed and reviewed the Facility Fund report through December 14, 2011 identifying the beginning cash balance of \$698,141.00; total lodgers' tax receipts reported of \$87,365.21; \$884.30 interest; and expenditures of \$8,210.15 for FY'11 Advertising Contract and \$33,149.90 for FY'12 Advertising Contract, outstanding encumbrances in the amount of \$78,850.10, leaving an anticipated cash balance of \$666,180.36.

Ms. Valencia distributed the Advertising Fund report through December 14, 2011 identifying the beginning cash balance of \$823,514.48; total lodgers' tax receipts reported of \$145,608.58; \$1040.86 interest; \$2100 State Coop for last FY; expenditures of \$15,658.14 for FY'11 Advertising Contract, \$55,249.88 for FY'12 Advertising Contract, \$80.17 for Newspaper Advertising, \$23,000.00 for FY'11 Commitments and Other Fees (\$6,000 for El Rancho de las Golondrinas Wine Festival; \$6,000.00 for Southwest Roots Music Thirsty Ear Festival; \$3,500.00 for El Rancho de las Golondrinas Spring Festival and Children's Fair and \$7,500.00 for the SF International Folk Art Market; \$9,900 for FY'12 Commitments and Other Fees; \$169.58 for FY'11 Reporting and Recording, \$338.31 for FY'12 Reporting and Recording, outstanding encumbrances in the amount of \$143,681.21, leaving an anticipated cash balance of \$724,186.63.

Ms. Johnson asked for an update on the annexation.

Ms. Martinez said that the City has requested an additional year and the agreement between the City and the County was extended.

Ms. Brown noted that Pinon RV Park has been running a website and the County may want to check if they are in business, so they can start reporting again.

Ms. Martinez gave a brief update on the County budget noting that the County ended the year with a flat budget and has not had to make any cuts. She said there was a decrease of 16.5% in GRT revenue.

Ms. Martinez said the County is working on giving staff an increase, possibly a one-time salary adjustment. They are presently in negotiations with the union. She noted that staff has not had an increase in three years.

Ms. Martinez reported that she attended a Finance Officers' Conference recently and learned that lodgers' taxes have to be spent two years after collection or receipt. She suggested the Board have an agenda item at the next meeting to discuss possible ways to spend the money.

### **ADVERTISING AGENCY REPORT**

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

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

Mr. Rountree reported the occupancy rates were down by approximately 3% for the month of October, when compared to the prior year. However, the average daily rate continues to hold.

Mr. Rountree said the Rocky Mountain Lodging Report shows that this is the first month that the occupancy rates for the periphery properties have been down in the last four to five months. The total occupancy is on par with the state and occupancy rates for Albuquerque were up in the month of October due to the Balloon Fiesta.

Ms. Brown asked Mr. Rountree if he knew how much the County has lost with the annexation of the Inn of Santa Fe.

Mr. Rountree said he has had trouble getting information from the City on both lodgers' tax and gross receipt taxes. He noted that the numbers printed in blue ink are reported by the media, not governmental entities.

Ms. Martinez mentioned that the Taxation and Revenue posts this information on their website. She offered to check with the City for their information.

- **Old Items**  
**New Mexico Tourism Department 2011-2012 Co-Op Program**

Mr. Rountree said they were notified on November 17, 2011 that the New Mexico Tourism Department has turned down the CVB and County request for 2011-2012 Coop funding. They indicated that the expenses listed are not eligible for reimbursement under this grant program because travel and per diem is specified as a non-eligible cost. Mr. Rountree informed them that the proposal was not for travel expenses - they want to bring travel writers to visit Santa Fe and they have a list of specific areas that they want to go after.

- **Video Proposal to County Manager's Office**

Mr. Rountree noted that Kristine Mihelcic, the Media Production/Public Relations Specialist for the County spoke briefly about this at the October meeting and she sent him the documents about this. He explained that there are some concerns about this proposal and the quality of the samples were not very good. Mr. Rountree spoke to Ms. Mihelcic about this and she indicated that this may be something that the County does not want to get involved with.

- **NMTD Branding Presentation**

Mr. Rountree distributed copies of the PowerPoint presentation of the New Mexico Tourism Brand Purpose and Vision [Exhibit A].

The marketing objective of this is to make New Mexico a primary travel destination by giving "venturesome" travelers compelling reasons to choose New Mexico as their next great travel experience. The economic objective is to accelerate New Mexico, driving unprecedented revenue growth and occupancy rates. This was done because there is a "misperception" about the State of New Mexico.

The Tourism Department convened focus groups in Los Angeles, Houston and Chicago earlier this year of people, who travel frequently, earn at least \$75,000 and are

interested in travel experiences. They were asked some thoughts on Colorado as well as New Mexico and it appears that many “would-be” tourists have the wrong idea about New Mexico. The Tourism Department wants to build an umbrella brand that will make it easier for those in New Mexico to sell the state as a tourist destination; and to increase tourism and erase the surprisingly strong misperceptions and complete lack of awareness of New Mexico. The new advertising and marketing campaign will attempt to brand the state with the key themes of “adventure steeped in rich culture” and “the destination that feeds the soul.” Mr. Rountree noted that the local media covered this presentation.

Mr. Rountree said the Tourism Department has selected six agencies who responded to the Request for Proposals and oral interviews were conducted with the six finalists. Two agencies were from New Mexico and six agencies were from out of state.

Ms. Martinez asked Mr. Rountree what the Tourism Department’s budget was for advertising.

Mr. Rountree said it is from \$1.2 million to \$1.5 million.

Chairman Berkenfield noted that the Secretary of Tourism was invited to the Hospitality Association meeting on February 1, 2012. He invited the Board Members to attend.

Chairman Berkenfield mentioned that he spoke to Jim Bradbury, the interim CVB Executive Director and he indicated that he is involved with the nation-wide search for an Executive Director.

Chairman Berkenfield asked Mr. Rountree to explore whether or not the County could be a focus or a presence with the City’s public relations campaign or plan with the possibility of the County buying into the plan.

Ms. Jaramillo agreed, and thinks the return would be greater than any advertising that the County can do alone.

- **Press**

[Copies of various press articles were distributed.]

An article about the fact that the Tourism Department finds the state “saddled with misperceptions” was distributed.

An article in *Travel Pulse* states that the Harris Poll shows that Americans are cutting back on vacation time. This month, only three in ten (29%) say they are likely to take a vacation lasting longer than a week in the next six months, while seven in ten (71%) say they are unlikely to do this. This Harris Poll was conducted online within the United States between November 7 and 14, 2011, among 2,499 adults.

An article in the *Albuquerque Journal* states that tourism is predicted to pick up in 2012. Tourism nationally and in New Mexico is poised for recovery and should see some growth in the coming year, the director of marketing research at the U.S. Travel Association told tourism officials and business leaders.

An article in *Travel Pulse.com* states that the "Access America Survey" shows that online reviews carry clout. It indicates that 60% of consumers say they factor other travelers' online reviews into their plans when booking a vacation. This shows the influence that reviews of other travelers have on consumer travel decisions.

**ADMINISTRATIVE**

Ms. Martinez noted that the Association of Counties may be approaching the Board for funding. This will be an agenda item for the next meeting.

**Next meeting date and location**

The next meeting was scheduled for January 19, 2012 at 10:00 a.m.

**ADJOURNMENT**

Ms. Johnson made a motion to adjourn the meeting. Ms. Brown seconded the motion and the meeting was adjourned at 12:00 p.m.

Approved by:



John Berkenfield, Chairman

Respectively submitted by:

***Jo Ann G. Valdez***, Stenographer