

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

**August 19, 2016**  
**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 9:30 a.m. on the above-cited date at 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  
Don Moya, County Budget Administrator  
Alejandro Cintron, Senior Account Manager  
Kristine Mihelcic, Public Information Officer

**Others Present:**

Roger Alink, Wildlife West Nature Park  
Dawn St. George, El Rancho de las Golondrinas  
Michael Gary, Santa Fe Opera  
Walt Borton, Santa Fe Children's Museum  
Dave Hayduk, HK Advertising  
Clarissa Lovato, HK Advertising  
Wendy Forbes, HK Advertising

Chair Verruni stated that Mr. Randall would report first. The financial report would be reviewed next on the agenda.

### **Santa Fe Tourism Director Report**

Mr. Randall handed out a visitor's survey of 2015 visitors to Santa Fe with 2,800 responders. He shared some highlights of the survey and handed out copies to the LTAB members. He made comparisons with a similar survey done in 2010. Because it made no distinction between city and county, the data is valid for LTAB and OTAB alike. He commented that the Visitor's Guide was the prominent tool for bringing tourists to Santa Fe. An ongoing contract was established with Destimetrix for projections out 180 days.

Mr. Randall reported a luncheon with 14 tribal nations of 19 invited attended. They spent 3½ hours discussing how Santa Fe Tourism and the tribes could work together. It was a good meeting and they plan to continue meeting.

Member Hudman thanked him for sharing the survey.

Mr. Randall offered more copies, if needed.

### **III. Approval of the Agenda**

**Member Fox Ehlert moved to approve the agenda as amended with the Financial Report first on the agenda. Member Hudman seconded the motion and it passed by unanimous voice vote.**

### **IV. Announcements**

The Bishops Lodge official reopening is March, 2018, the despite the sign in front that says 2017.

Member Fox Ehlert announced that Santa Fe Community College still has openings in hospitality and marketing classes.

### **V. Approval: July 12, 2016 Regular Meeting Minutes**

**Member MacFarlane moved to approve the meeting minutes from July 12, 2016**

as presented. Member Fox Ehlert seconded the motion and it passed by unanimous voice vote. Member Romero was not present for the vote.

## **VI. Financial Report**

### **A. Santa Fe County Finance Division - Lodgers' Tax Financial Report (Pro-Forma)**

Mr. Flores said for FY 17, the LTAB budget is \$354,000 and that budget has not changed. The important line item is Professional Services which includes marketing, media and other contractual services. This is the part that provides funding for the LTAB grant program. With anticipated contracts and the post-event survey contract, the Board has about \$30,000 available for grants in FY 2017 which goes to June 30, 2017. This is funded exclusively from lodgers' tax revenues. There is no General Fund subsidy. He asked Don Moya to present the details.

Mr. Don Moya introduced Alejandro Cintron, Senior Account Manager in Finance. Both of them had difficulty the format for reporting. He prepared a trending report for the Board and briefly explained that in August, the trending upward compared with previous years. The growth has been 4% over the two previous years as reflected in the graph which combines both of the funds. He said with only one month, the total is clearly a projection based on what the analysts expected.

Member Fox Ehlert reasoned that with Bishop's Lodge out for the entire year, it affected the amount available.

Mr. Moya agreed and pointed out where he showed Bishop's Lodge with receipts in 2016 and none for 2017. The following page had a pie chart for all sources of funding which indicated the largest source as Encantado Resort.

He went through the rest of the report and called attention to the \$82,518 in encumbrances to be brought forward. Some of that money would be available money for grants in addition to the \$27,298 in projections.

Mr. Flores said it is too early to anticipate receipts for December or January and assumed they would have larger balances but needed a firm number, just in case.

Chair Verruni said this is much clearer than in the past. He appreciated the presentation and asked if the Board members could get it a day before the meeting day to make the discussion more relevant.

Mr. Moya apologized and agreed to do that.

Member Fox Ehlert asked if the County is going after the B&Bs to pay their share.

Mr. Flores said they did discuss that and it is potentially in the que.

The Board briefly discussed a reasonable amount from unspent encumbrances. Mr. Flores explained that sometimes, an agreement is terminated without all the money being spent and the remaining grant funds revert to the LTAB Grant Fund to be used for new grants.

## **VI. Presentations**

### **1. Presentation by Wildlife West Nature Park, Roger Alink, Executive Director for support of Native Wildlife Zoo, 15<sup>th</sup> Annual Edgewood Music & Art Festival, Saturday night Cowboy Chuckwagon BBQs & Western Swing shows, Wind Festival, Junior Zookeeper Day Camps for Kids, Fall Harvest Festival and Dirty Dash.**

Mr. Alink thanked the Board for hearing him. The handout provided a schedule of events for the season. The request is for printing the brochure which are reprinted around the first of the year and advertising for next year. He described the amenities of their facility and some of the events. The request is for \$5,000. They also receive help from Santa Fe Tourism and a few business sponsors.

Chair Verruni asked if they have been profitable over the last two fiscal years.

Mr. Alink said the arts and music festival two years ago lost seven thousand dollars and last year lost about a thousand dollars but made money this year. This year they are including all of their events in the marketing request whereas they only ask for the music festival before. Their basic attendance is up.

Ms. Mehelic thought there was a wild fire or something that affected attendance.

Mr. Alink said they had a plague scare that hit all the news a day before the festival. NMED said it is completely safe. The public is very safe. But people panic and don't read the details. The area has plague all the time. It wasn't good timing. This year is positive with the music and art event.

Chair Verruni asked how they pull traffic off Route 66.

Mr. Alink said they have a lot of billboards and are on websites. They also have Route 66 attraction signs at the turnoffs. They get a lot of Route 66 visitors.

In response to Member Fox Ehlert, Mr. Alink said most of their animals are rescued animals.

**2. Presentation by El Rancho de las Golondrinas, Dawn St. George, Museum Director for support of Fall 2016 events: Santa Fe Renaissance Fair and Harvest Festival; Spring 2017 New Spring Festival: Flora, Fauna and Fleece**

Ms. Kathy Kerry made the presentation and thanked the LTAB for inviting them to apply and for past support. The request this year is for three festivals, two of which are repeats: The Harvest Festival in October and The Renaissance Fair in September. The new festival is the Spring Festival for flora, fauna and fleece. The request is for \$5,000 for each event. The \$15,000 will be used for advertising. The repeat events brought in 13,576 visitors, with 9,259 for the Renaissance Fair which is the most ever. Their capacity is 10,000 attendees.

Member Romero arrived at 10:22.

They attract visitors from all over the country with large numbers from California and Colorado. She briefly described the events and focus of each of the events. They provide a phone app to help visitors find their way in the 200-acre property.

The media section of their packet shows how they would spend the grants including rack cards at hotels, as well as Facebook, Twitter and Instagram but print advertising is still a big part of what they do.

Member Fox Ehlert asked about visitors from Albuquerque.

Ms. Kerry said she did not have that information with her. They ask for visitors' zip codes and track Albuquerque and Rio Rancho as well as out of state visitors. They don't advertise in places where they have had no visitors but they do get visitors from all states.

Chair Verruni asked if they have seen an increase since Sunrise Springs reopened.

Ms. Kerry didn't know if she could tie that with their increase but there certainly is an increase in traffic on Los Pinos Road. Sunrise Springs is a corporate sponsor and receive comp tickets each year.

Member MacFarlane asked about the maximum capacity of 10,000.

Ms. Kerry explained that they use not only 10 acres for parking but the "triangle" also. Once developed with a community center, she didn't know where they would put more cars. They do have blue buses from the NCRTD so people don't have to park at

the Ranch to accommodate hotel visitors.

Member Hudman asked about the even described on page 3.

Ms. Kerry said that was the spring festival held last year. That attendance was low so to improve, they created a new fair and are asking for funding. That one will look at historic food production - lavender, herbs, etc. So it is for food as well as spinning and weaving. Every year they've tried to do a festival in May but it just doesn't work then so they are moving it to June.

### **3. Presentation by the Santa Fe Opera, Michael Gary, Director of Institutional Giving for support of the Santa Fe Opera's 2017 Season**

Member Hudman recused herself from consideration of this application and left the room.

Mr. Michael Gary presented. The SFO requested \$7,500 for marking of the 2017 season from June 30 to August 26 and the promotional brochure shows the support. They print 130,000 and distribute it through direct mail and through concierge desks at hotel partners and State and City Visitor Bureaus. 35,000 are inserted into the New York Times in major metropolitan areas. Last year they did Houston and Dallas. He didn't know this year's locations but probably in Texas, Colorado and California. He shared some percentages of visitors' locations with 46% from New Mexico, 2% from as much as 45 countries and remaining 52% from every other state in the nation.

Member MacFarlane asked about trending for attendance in 2016.

Mr. Gary said they sold over 70,000 tickets and seat 2,200 people. He didn't have data on advance sales but thought it was about 95% attendance for the season.

Member Romero noted on page 1 that there is funding by LTAB that accounts for 1% of the total. He thought it was a snooty statement. If SFO is the Rolls Royce and Santa Fe can't get any credit for giving support other than somewhere in the middle of the sheep herd. He thought it was a strange comment.

Mr. Gary apologized and said it was just being straightforward. He said, "For a grant of this size, we are unable to put Santa Fe County credits in every single advertisement that we place in national and regional magazines across the country as well as radio spots. It's not fair to the sponsors who provide more and who get less. I just wanted to be straightforward and up front in the proposal because I know it is a requirement in the materials that Santa Fe County be credited in every single publication and advertisement and promotion and that is something that we are just not able to do."

Member MacFarlane appreciated the transparency and as a supporter of the Opera, concurred with the statement.

Chair Verruni said there are other places where SFO can include Santa Fe County.

Mr. Gary agreed. It is in the program brochure which has it listed at the appropriate level. He can include the LTAB Board in their largest distribution brochure. The program brochure prints 50,000 copies.

#### **4. Presentation by the Santa Fe Children's Museum, Walt Borton, Management Committee Member for Development for support of Santa Fe Children's Museum Programming**

Member Romero recused himself from consideration of this application and left the room. Member Hudman returned to the meeting.

Mr. Walt Borton shared a Power Point presentation for the Board and provided handouts of the presentation. He described the services offered by the Children's Museum which focuses on learning through play for infants to 9-year-old children with early childhood development. They have visitors from around the state with 55% from Santa Fe and 27% from outside New Mexico, including some foreign countries. Zip codes are tracked for their data. Attendance totals about 75,500 per year. 28% are 5 and under and 30% are adults. They have a membership program for families and expanding for families who can't afford them. Their goal is to increase visitors by 15% from outside the county and by 5% from outside New Mexico and at risk children by 50%. Marketing includes fast tracking social media activities, using the tourist information network and rack card distribution in the hotels. They are collaborating with National Guard, CCA, Santa Fé Performing Arts and Armory for the Arts Theater. They are also involved deeply with others like Meow Wolf who picks children up at 8 years and then Warehouse 21 for older ages.

Chair Verruni noted the Museum has been financially challenged and asked how 2016 looks.

Mr. Borton said they will probably run a loss but less than last year. A couple of board members have really helped, one of whom has a foundation not based in New Mexico. He is comfortable that they are returning to much more solid ground. They recently added three new board members. Maybe 40-45% of their revenue is earned and they are focusing on increasing that.

That concluded the presentations and Member Hudman returned to the meeting.

## **VII. Advertising Agency**

### **A. Advertising Agency Report - HK Advertising by Dave Hayduk (Pro-Forma)**

Mr. Hayduk provided the report. He shared the statistics from the Rocky Mountain report for July which showed strong increases and is looking good for the periphery of Santa Fe County that has 22,600 rooms. In July, they had 20,881 for occupied rooms or 92.4% and ADR of \$123 and Revpar of \$113.65. That compared to 2015 with 72.9 this year to date and 68.4 last year for the same period and increased ADR and revpar.

Ms. Forbes reported on Social Media. She shared the goals from last September and now are moving forward. The average Facebook page grows at about 0.17% every month. She set the goal at 115 fans per month and didn't start Facebook advertising until April. They averaged 151 new fans each month and because that growth is percentage based, "the more we have, the more we would get." She said they spent \$100 per month on that advertising since April. So the Board will see an increase in fans.

Twitter has not budget and an average twitter growth is one or two new followers per day. They set goal at 35 followers but averaged 92 per month. They are tweeting at least three times each day.

Instagram started with 132 fans. It is similar to Twitter and the goal is at least 1 new follower per day and they got 72 per month.

Mr. Hayduk went to digital ads and showed the ad in Texas Monthly for July promoting the SFO. Their footprint is 2 million views per month visits and shared the demographics. It is low hanging fruit for travelers loving New Mexico. He showed the E-newsletter slide The second one just went out digitally on August 1. They had 543 emails in the database in May and now have 852.

LTAB has a relation with Santa Fé Tourism and providing a blog to them. The first was on Rancho de las Golondrinas. The second is on hiking and biking trails. In September it will feature Petroglyphs and in October on Tesuque. November will be on winter sports. The schedule runs through July next year.

He commented on other videos that are offered and for New Mexico True at the Airport. He shared an ad in the Albuquerque Journal.

Ms. Lovato reported on Media Strategy. They are still taking advantage of the Texas Monthly low hanging fruit with target key audiences and continue in the plan next year. They are also looking at promotion of fall events and in January and February for spa.



The ultimate goal is to increase the database with the first year as a base for measurement. They are growing print advertising as well as digital with some digital in magazines. The drive markets are Texas, Colorado, Oklahoma, Arizona and California and she named some of the cities.

Go New Mexico is an opt in for emails. Its pages are more focused on Santa Fé County with links to various locations. They just did cuisine shots at Rancho de Chimayó.

Chair Verruni liked the presentation. It had more data than last time. The newsletter is great but he wanted to donate a database to use for those who come to Santa Fé. He agreed to lend it to them for the next six months.

Member MacFarlane said she will donate some room nights.

Member Hudman suggested they might want to knock on doors to negotiate for subscriber lists on a one-time or two-time basis to put something else in their hands.

Mr. Hayduk said he would put that together.

### **Presentation Discussions**

Chair Verruni asked the members to use the evaluation form for choosing. He thanked Ms. Katonak for getting it out to the members. He suggested using only half for this budget and holding the rest for after the first of the year.

Member MacFarlane pointed out that the requests total \$34,000 and noted there are others who have not yet applied for funding.

**The Board agreed to allocate about half of the budgeted amount (\$15,000) by unanimous consent.**

The Board discussed each of the applications in turn and considered the pros and cons with those having no recusals considered first.

**The Board agreed to grant the Wild Life Nature Park \$5,000.**

Ms. Mehelcic requested that they emphasize the term “nature park” and not use the term “zoo” in their marketing to avoid confusion.

**The Board agreed to grant Rancho de las Golondrinas \$5,000 for the two existing events.**

The Board agreed they could return with a request for funding the spring festival after the end of the year and to remind them that the purpose for LTAB funding is to bring people from outside Santa Fe County as a tourist draw and increase room nights and to ask them to use the grant for outside advertising, rather than local advertising.

Member Hudman recused herself from the Santa Fe Opera consideration and left the room.

**The Board agreed to grant \$4,000 to the Santa Fe Opera and request recognition with the County logo on the logo page of the program brochure.**

Member Hudman returned to the meeting after the decision.

Member Romero recused himself from consideration of the Children's Museum.

**The Board agreed to grant the Children's Museum \$3,000.**

Member Romero returned to the meeting after the decision.

## **VIII. Administrative**

### **A. Next Meeting Date and Location**

Ms. Katonak said we would like to go to a regular date and time to have a stenographer at the meeting. She suggested the third Friday of each month at 9:00 a.m. That would mean September 16, October 21, November 18 and December 16.

There were two conflicts for September 16. Member MacFarlane had a conflict in December.

The Board agreed to meet on September 23 for the next meeting at 9:00 a.m.

[Note: After the meeting, the date was changed to September 30.]

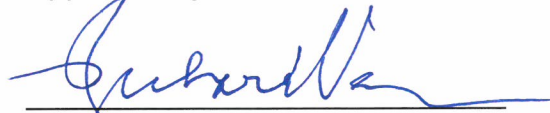
Ms. Katonak said next month, the Board will discuss the ordinance and the International Folk Art Market and the Board might not meet in December.

## **IX. Adjournment**

**Member Fox Ehlert moved to close the formal part of the meeting. Member MacFarlane seconded the motion and it passed by unanimous voice vote.**

Having completed the agenda and with no further business to come before the Board, Chair Verruni adjourned this meeting at approximately 12:00 noon.

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

LODGERS TAX MINUTES  
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Hereby Certify That This Instrument Was Filed for  
Record On The 31ST Day Of May, 2017 at 11:09:00 AM  
and Was Duly Recorded as Instrument # **1827109**  
in The Records Of Santa Fe County

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



DRAFT

SUBJECT TO APPROVAL