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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
August 26, 2010

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CALL TO ORDER	Convened	1
ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [as amended]	1
• Amendments		
• Tabled or Withdrawn items	None	
APPROVAL OF MINUTES July 22, 2010	Approved [as submitted]	2
NEW BUSINESS		
• Presentation from Keith Toler, Executive Director, Santa Fe Convention and Visitors' Bureau regarding the request for funding the Memorandum of Understanding between the City and County for media relations	Motion passed	2-4
FINANCIAL REPORT		
• Santa Fe County Finance Division- Lodgers Tax Financial Report – August 25, 2010 (Pro-Forma)	Informational	5
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ADVERTISING AGENCY REPORT	Motion passed	6-9
ADMINISTRATIVE		
• Next meeting date and location The next meeting was scheduled for October 28, 2010 at 10:30 a.m.		9
ADJOURNMENT	Adjourned at 12:00 p.m.	10

MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

August 26, 2010

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 10:40 a.m. on the above date by Chairman John Berkenfield at the Conference Room in the Bokum Building, Second Floor, 142 West Palace Avenue, 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
- Mary Johnson

Board Members Absent

- Florence Jaramillo, excused
- Jeff Mahan, excused

Staff Present

- Evelyn Valencia, Santa Fe County Finance Division

Others Present

- Russ Rountree, Impressions Advertising, Inc.
- Keith Toler, SF Convention and Visitors Bureau Executive Director
- Steve Lewis, Locas Communication, Inc.
- Jo Ann G. Valdez, Stenographer

APPROVAL OF THE AGENDA

The Agenda was reprioritized (Item VII – Presentation from Keith Toler) was moved up on the agenda.

Ms. Brown made a motion to approve the agenda as amended. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

APPROVAL OF MINUTES: July 22, 2010

Ms. Brown made a motion to approve the minutes of the meeting of July 22, 2010, as submitted. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

NEW BUSINESS

Presentation from Keith Toler, Executive Director, Santa Fe Convention and Visitors' Bureau regarding the request for funding the Memorandum of Understanding between the City and County for media relations

Mr. Toler presented the information regarding the request for funding which was distributed in the members' packets (attached to these Minutes as Exhibit "A").

The Santa Fe CVB recently completed a Request for Proposal process to identify a service provider for media and public relations. Locas Communication, Inc., a local service provider, won the bid. The Public Relations contract is \$125,000. During the course of the review process, the review panel, made up of both city employees and local business owners or managers, was highly impressed with a firm out of New York called Lou Hammonds and Associates. The original Lou Hammonds proposal was for \$120,000 plus expenses to provide services. Since that time, Mr. Toler has been able to re-negotiate that contract down to \$75,000, given the work being handled locally by Locas.

The Convention and Visitors Bureau does not have the ability to fund both firms. Given the support the CVB provides to county businesses, including hotels, with no revenue being returned to the CVB (all funding comes from lodgers' tax); the County emerged as a logical place to seek the additional funding to promote Santa Fe as one destination. To employ both firms, the CVB would increase its existing contract with Locas Communication to \$200,000 and Locas would subcontract with Lou Hammonds and Associates to obtain the national press services they can provide. The County is being asked to fund 25% of the total contract.

Services Provided

A representative from the County will be invited to participate in all meetings with Lou Hammonds and Associates so that specific county interests will be represented in defining the final scope of work. That invitation will extend to meetings with Locas Communication as well, if desired. The goal is to have the County as a destination marketing partner so that communication and messages can be coordinated. The CVB Executive Director will administer the contract.

[Please see Exhibit "B" for the details on the scope of services.]

Mr. Toler noted that this year's City's CVB advertising budget was decreased by \$100,000. He said as a funding partner, he encourages the County to have someone at the table to ensure that the County's interests are being covered in the public relations efforts. He explained that this funding will enable them to take the advertising to the next

level and this contract does not impact the ongoing advertising programs currently offered by Santa Fe County.

Chairman Berkenfield asked what they would use as a measurement/criterion of success and what their expectations are for \$200,000.

In response, Mr. Lewis said they would use the earned media as a benchmark. For all media placements, a dollar value will be assigned based on advertising equivalency. It is expected that media coverage will provide almost a 10 to 1 Return on Investment.

Mr. Lewis mentioned that Lou Hammonds and Associates has been around for over 30 years and have 40 staff members. They deal with high end publications and writers, and have clients from the Caribbean, Atlanta City and New York City.

Mr. Toler said that public relations is one component but you also have to look at the marketing plan.

Chairman Berkenfield asked what is in it for the County (to do this).

Mr. Lewis said in his point of view, more promotion for the County. Also, Lou Hammonds and Associates will bring in a new component- a whole new group of influential writers and bloggers. They will give Santa Fe more exposure to promote travelers, to include high-end travelers. They also have a media data base that consists of over 40,000 people and Santa Fe can build from the relationships that they have.

Mr. Lewis plans to increase the content of advertising within the County and this is more of an incentive for him – to look for more stories and ideas to promote the county, find different outlets and facilities and provide PR advice to businesses. There is also talk about producing a PR Handbook for all businesses.

Mr. Toler added that this gives the County a seat at the table in terms of planning more strategies. It also gives the county businesses more opportunities. Lou Hammonds and Associates also do a lot of media luncheons.

Ms. Johnson asked what Lou Hammonds and Associates address is.

Mr. Toler said it is 51st Street in New York but they also have offices in Charleston and Palm Beach.

Chairman Berkenfield asked if they had any idea how often they will be meeting here in Santa Fe.

Mr. Lewis said that he and Lou Hammonds and Associates plan to have a formal meeting every two weeks, possibly through a conference call. They also plan to visit Santa Fe twice a year.

Mr. Toler receives monthly reports on media relations activity. This report will be shared with the County designee who in turn will share it with the LTAB members.

Chairman Berkenfield said he would hope that Lou Hammonds and Associates would want to learn about Santa Fe County, its attractions and activities-physically go to businesses and see what they have to offer. He said this would be important to this Board.

In response, Mr. Toler said that Lou Hammonds and Associates visited many hotels before they made their presentation.

Ms. Johnson was on the Advisory Board for the CVB advertising contracts. She felt that Lou Hammonds and Associates did their homework

Mr. Lewis said they could arrange some kind of tour for the firm.

Mr. Toler explained that visitors do not recognize jurisdictional lines. This is an excellent opportunity for the City and County to work together to create common identity for our destination.

Chairman Berkenfield said the City and County are both seeking ways to do more cooperative activities but he thinks this is an expensive one, and possibly there will be less expensive ways. He explained that LTAB's role is to make a recommendation to the Board of County Commissioners.

Ms. Valencia noted that copies of the draft Memorandum of Understanding between the City of Santa Fe and the County of Santa Fe were distributed in the members' packets. She asked for the member's input on the Memorandum of Understanding. She mentioned that the County Legal Department is reviewing it.

After discussion on the proposed request, the following motion was made:

Ms. Brown moved to approve the concept of cooperating with the City CVB on a media relations campaign with the amount of funding to be left at the discretion of the County Finance Department. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-August 25, 2010 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through August 25, 2010 noting total receipts of \$34,146.94 for May, \$48,402.24 for June which was the end of Fiscal Year 2010 and \$35,881.50 thus far for July (these are not due until the 25th) which is the beginning of Fiscal Year 2011; total receipts for Fiscal Year 2010 to date are \$379,880.71. There was a 1.97% decrease when compared to the month of June of the prior year.

Ms. Valencia distributed copies of the final report of the Santa Fe County lodgers' tax receipts for FY2010. As noted above, the total lodgers' tax receipts for June 2010 were \$48,402.24; total for FY2010 was \$379,880.71. This is a decrease of \$7,186.24 when compared to the prior year (2009). Copies of the Advertising Fund and Facility Fund reports as of June 30, 2010 were also attached.

The Advertising Fund (as of June 30, 2010) showed a beginning balance of \$847,575.93 and total lodgers' tax receipts reported of \$239,239.54, interest of \$4,885.59 and expenditures of \$241,144.32 for FY'10, and outstanding encumbrances in the amount of \$36,604.44, leaving an anticipated cash balance of \$817,952.30. The Facility Fund (as of June 30, 2010) showed a beginning balance of \$624,792.37 and total lodgers' tax receipts reported of \$143,543.84, interest of \$3,706.00 and expenditures of \$110,646.33 and outstanding encumbrances in the amount of \$9,905.69 for FY'10 Advertising Contract, leaving an anticipated cash balance of \$651,490.19.

Ms. Valencia distributed and reviewed the Facility Fund report through August 25, 2010, identifying the beginning cash balance of \$651,490.19, total lodgers' tax receipts reported of \$33,563.19, expenditures of \$9,905.73 for FY'10 Advertising Contract, and outstanding encumbrances in the amount of \$106,875.00, leaving an anticipated cash balance of \$568,272.65.

Ms. Valencia distributed and reviewed the Advertising Fund report through August 25, 2010 identifying the beginning cash balance of \$817,952.30, total lodgers' tax receipts reported of \$55,938.50, expenditures of \$18,971.99 for FY'10 Advertising Contract, \$68.31 for newspaper advertising, \$3,500.00 for FY'10 Commitments and Other Fees, \$215.58 for FY'10 Reporting and Recording, \$169.58 for FY'11 Reporting and Recording, and outstanding encumbrances in the amount of \$203,234.76 leaving an anticipated cash balance of \$647,730.58.

OLD BUSINESS

None presented.

ADVERTISING AGENCY REPORT

- **2011 Marketing Plan**
 - a. **Review of FY 11 Media Plan & Budget**

Mr. Rountree presented the Lodgers Tax Advisory Board FY2011 Marketing Plan that was distributed in the members' packets as follows:

Highlights for FY2010

- Decrease in Lodger's Tax collections of 1.97% for FY 10 (\$379,429.46) over FY09 (\$387,066.95)
- Decrease in advertising inquiries of 2.6% for FY 10 (26,680) over FY 09 (28,668).
- Decrease in website inquiries of 0.4% for FY 10 (5,655) over FY 09 (5,658)
- Increase in website user sessions of 3% for FY 10 (32,704) over FY 09 (31,723)

Goals

- Increase the number of visitors to Santa Fe County
- Increase awareness of Santa Fe County as a travel destination
- Increase repeat visits
- Increase ad inquiries, conversion rates, and web user sessions

Recommended Media Mix

- National/Regional print
- In-state broadcast/cable
- Internet Marketing
- Public Relations

Target Audience

- Adults 35-64, HHI \$70,000+
 - Residents from regional “Drive Market” states – TX, CA, CO, AZ
 - In-state residents
- Travel Media

Positioning

Santa Fe County – “It’s no place like home!” – there are a myriad of attractions and events in Santa Fe County’s 2,000 square miles.

The creative:

- Plays on the adventure of the travel experience
- Personalizes the creative, makes the reader say “I want to go there”
- Teases a story that makes the reader want to find out more
- Provides excellent tie-in to more information posted to the web site.

Budget

Santa Fe County Budget	\$287,100
Marketing	63%
Production	17%
Account Service	9%
Public Relations	7%
Fulfillment/Inquiry Response	4%

Tactics

National/Regional Print Advertising

- Placements in publications that target regional “Drive Market” states – TX, CA, CO, AZ
- Placements in publications that reach County’s target market
- Focus placements in publications that offer Reader Service and/or advertiser links from publication web sites to County web site to enable tracking of inquiries.

In-state Broadcast/Cable Advertising

- Scheduling the produced County ads on in-state Broadcast outlets and selected cable systems and networks (Farmington, Las Cruces, Roswell)

On-line Marketing

- Refresh and update web site content
- Targeted regional website marketing program (Dallas, Denver, Oklahoma)
- Refresh and update content of the website calendar
- Supply New Mexico Tourism Department, Santa Fe Convention and Visitors Bureau (SFCVB) and other application web sites with calendar information
- Refresh and maintain e-mail database from website visitors
- Distribute e-newsletters (quarterly) and updates (as needed) to e-mail database

Public Relations

- Distribute monthly press releases which highlight upcoming events of note for the traveler
- Refresh and maintain press release distribution list focusing on publications within regional "Drive Market"
- Submit releases to National Travel Agent and Travel Writer e-mail distribution systems
- Create and maintain a "photo gallery" of images to support press efforts

Collateral

- Distribute brochures to appropriate visitor information centers
- Distribute brochures throughout New Mexico at highly attended events
- Track the inventory of the brochures

Fulfillment

- Distribute brochures in response to visitor inquiries
- Continue partnership with the SFCVB to send the Santa Fe Visitors Guide to County inquiries
- Continued availability of visitor information as Portable Document Format (PDF) files available via County web site or by email
- Include new brochure as "pages" on County web site

Chairman Berkenfield noted that Rancho de las Golondrinas did a study during the Summer and Wine Festivals and found that the biggest source that people heard about their events was through the internet. 20% of their visitors indicated that they heard about the events through word of mouth, friends or relatives.

Mr. Toler offered to share the data from the City's research study with Impressions Advertising Agency.

Mr. Rountree presented the projected budget for FY2011 noting that they presently have a surplus of \$2,720.00.

Mr. Rountree reviewed the 2010/2011 Media plan noting that the ad for the *New Mexico Vacation Guide* has been placed. Promotional ads will also be placed in the *New York Times Magazine*, *Home & Away*, *Oklahoma Today*, *Southern Living* *Arthur Frommer's Budget Travel* and the *Sunset Magazine*. The in-state leisure travel campaign will include a television placement on both broadcast and cable outlets. The online campaign will include e-mail blasts, ads in travel newsletters from the Denver and Dallas websites and web banners on Dallas, Oklahoma City and Denver newspaper travel sites.

Ms. Brown moved to accept the FY2011 Marketing Plan as presented by Impressions Advertising Agency. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

- **New Creative Executions**

[Copies of the new creative ads were distributed and reviewed.]

Mr. Rountree reported that four creative pieces were done that featured Aspen Vista, the Train Station in Lamy, the Dance of the Matachines and Chimayo.

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

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

Mr. Rountree reported that June's occupancy shows an increase of 1.97%; an increase in the average daily rate of 3.77% and an increase of 10.79% in the revenue per available room, when compared to the same month in the previous year. He noted that the City's lodgers' tax revenue for the month of June was down 8%.

- **Old Items**

- **BCC Presentation (July 27, 2010)**

The Advertising Agency made a presentation to the Board of County Commissioners on July 27, 2010. He reviewed the previous year's marketing plan and answered the questions the County Commissioners had.

- **NMTD Co-op – FY 11 award**

Mr. Rountree reported that the County has been awarded \$2100.00 from the NMTD Co-op grant for FY2011. He noted that the New Mexico Tourism Department received 123 applications for sole entity funding and funded 111 of them and that the monies available for the program were reduced.

• **Articles/Press**

[Copies of various articles were distributed.]

Several articles were distributed that were published in the *New Mexican* regarding the County Fair.

An article from *STR Global* was distributed. It states that the U.S. hotel industry posted increases in all three key performance measurements during July 2010.

An article from AAA was distributed. It states that AAA is projecting that the number of Americans traveling this Labor Day holiday weekend will increase 9.9% from 2009, with approximately 34.4 million travelers taking a trip at least 50 miles away from home. Last year, 31.3 million Americans traveled during the Labor Day weekend.

ADMINISTRATIVE

Next meeting date and location

The next meeting was tentatively scheduled for October 28, 2010 at 10:30 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.



Valerie Espinoza
Santa Fe County Clerk

Approved by:

[Signature]
John Berkenfield, Chairman

Respectively submitted by:
Jo Ann G. Valdez, Stenographer

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss LODGERS TAX MINUTES
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I Hereby Certify That This Instrument Was Filed for Record On The 12TH Day Of November, 2010 at 09:32:28 AM And Was Duly Recorded as Instrument # 1616706 Of The Records Of Santa Fe County



Witness My Hand And Seal Of Office
Deputy *[Signature]* Valerie Espinoza
County Clerk, Santa Fe, NM