



5/19/2021

11:00am at El Morro Events Center, 210 S Second Street

Streamed for the public @cityofgallup on Facebook

Staff Facilitator: Jennifer Lazarz, Tourism & Marketing Manager, jlazarz@gallupnm.gov

Committee Members: Cindy Tanner (chair), Jeremy Boucher, Anna Connell, Jason Arsenault, Ken Riege

Applicants with applications for review are invited to attend in person but must RSVP.

A. Roll Call

B. Approval Of Minutes From May 6, 2021

Documents:

[LODGERS TAX UPDATE MAY 2021.PDF](#)

[LODGERS TAX MINUTES MAY 9.PDF](#)

[LT EVENT ATTENDANCE AND DAYS.PDF](#)

[FY20 PART 4 OF 5 GRANT REQUESTS CHART.PDF](#)

C. Discussion And Action: Review And Recommendation For Grants FY 22, Round 1
Review of applications submitted by May 18, 2021, in consideration for funding from the Lodgers Tax Grant Program. After review, the committee will make funding recommendations that will be presented to council by the Tourism and Marketing Manager on May 25th.

Total Grant Program Budget for FY22: \$130,000

D. Motion To Adjourn



Discussion points between City Attorney Curtis Hayes with the Lodger's Tax Committee:

Two legal tasks that funding has to pass:

1. Does it fall within the statutory guidelines "advertise, publicize, and promote" while observing what is was meant by the legislative intent for the statute. The intention as Curtis Hayes interpreted is pulling people from outside, "heads in beds." He interprets the intention of the statute is to draw in visitors to stay overnight.
2. Anti-donation. Any government agency cannot give something of value without getting something in return (without consideration).

Mr. Hayes reviewed Attorney General information about a community event in Dona Ana and the 2018 Las Cruces audit with the Lodgers Tax Committee and how that applies to both Lodger's Tax and anti-donation as case studies.

There are four future considerations for events:

1. Use of City Employees, facilities, and materials to support an event (this is being handled internally with city facility contract revisions to include facility support expectations versus event operations). Need to be careful about anti-donation.
2. General Event Administrative Costs. These are not within the allowed expenses of Lodgers tax, and it is key for the Lodger's Tax committee to consider if an expenditure could be considered essential to the operation of the event, which would disqualify it from the intention of the statute, "advertise, publicize, and promote".
3. Promotional Materials- City Attorney Hayes felt this is the greyest/most challenging area of all with regard to interpretation. This is hard pressed due to the lack of data to support the usage from a promotion standpoint. Furthermore, this presents a stronger case for anti-donation, that this due to the lack of industry wide data that this is a give-away without getting something in return.
4. Prizes and awards- this is also a grey area, but has more room for justification as an incentive for event participants. This is not a give-away in that the participant has to be here to earn it.

Mr. Hayes wrapped up his discussion with the Lodger's Tax committee by stating that if there is limited resources and funding, two considerations should be made moving forward:

1. Work within items that are clearly allowable
2. If it is questionable and could get you into trouble, why go grey? Are you willing to be the test case?

After much discussion, the Lodger's Tax Committee chose to analyze event funding by the following:

1. The "advertise, publicize, and promote" expenditures should be to draw people pre-event, not something during an event, with the exception of prizes/awards.
2. If the item is removed, can the event operate without it? If the event requires the item, it is a cost of operation, not related to advertising, publicizing or promotion.
3. Resale is a no go. This means no items or materials may be resold, nor can space on Lodger's Tax funded print materials be sold for sponsorships. This is anti-donation.

Not-Allowed
<ul style="list-style-type: none"> • Resale of any Lodger's Tax funded materials • Sale of sponsorship space on a Lodger's Tax print or digital advertising medium • Back numbers • Tickets, admission badges • Banners- exception: for a sports team prize/award. Not allowed for posting sponsorships, event schedules, or other on-site purposes • tents or other physical structures • Give-aways- t-shirts, hats, cups, small items, sports equipment (balls, frisbees, etc). These items may not be considered awards.

Allowed Expenses
<ul style="list-style-type: none"> • Print Ads • Digital Space, digital newsletters, static ads • Social Media • Billboards • Radio • Print guides/magazines- with no advertising or sponsorships sold • Website- only to Gallup specific event, not whole business or other events. One time design, annual fee for domains • Photo and video (required to submit 3 photos and/or 1 video from service) • Prizes and Awards: May include banners, trophies, saddles, buckles. Must have tourism logo, may include shared sponsorship

Funding Available for FY22: \$130,000

Applications become available May 12th. They will be emailed, there will be an online submission option, or print copies will be available in the Tourism mailbox at the City Clerk's office.

Application Deadlines:

- May 18, 5pm deadline: Round 1- all events before September 30, 2021 required; later events optional. Lodger's Tax meeting on May 19th at 11:00 am in El Morro Events Center. Must submit by May 18th for consideration. Funding recommendations will be taken to City Council for approval on May 25th.
- August 6, 5pm deadline: Round 2- all events between October 1-December 31 required; later events optional
- December 10, 5pm deadline: Round 3- all events between January 1- March 31, 2022 required; later events optional
- February 25, 5pm deadline: Round 4- all events remaining before June 30, 2022.

Required means that this is the last deadline to apply for events during the listed window. Events MAY and are encouraged apply in an earlier round.

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Lodger's Tax Committee Meeting Minutes May 9, 2021

Meeting called to order at 11:10 by Chairwoman Cindy Tanner

- A. **Roll Call:** In attendance at 11:10 am Anna Connell, Cindy Tanner and Jason Arsenault. Ken Riege arrived at 11:20am. Jeremy Boucher, absent. Attendance at 11:10 met quorum.
- B. **Approval of Minutes from February 9, 2021.** A motion was made by Anna and seconded by Jason. There was no discussion. Anna, Cindy, and Jason voted in favor of approval, Ken Riege had not arrived at this point in time.
- C. **Work Session: Grant Programs.** Jennifer then introduced City Attorney Curtis Hayes. Jennifer briefed the committee that there has been a lot of discussion surrounding the eligible uses of Lodgers Tax and he is here to discuss this with the committee.

Mr. Hayes presented the following: When folks go to a lawyer, they want a concrete answer: this is okay, this is not okay. If you ever go to a lawyer who ever has an answer, I would be concerned that the lawyer didn't do this research because there are so many areas where we are just guessing about how the court might rule, or guessing about how the state auditor might view something or guessing how the attorney general might view something. So I'm going to tell you what I believe, what I think the rules are and how I believe the court would view it if this were at court, but it is one individual's opinion. My opinion is based on the attorney general and what the courts have said about the anti-donation clause. The lodger's tax statute has absolutely no case law.

Two legal tasks that funding has to pass:

1. Does it fall within the statutory guidelines from the NM legislature in the act? The problematic language is where the act says "advertise, publicize, and promote" event. One of the rules of statutory construction is that when you have words with multiple meanings you look at what was the underlying purpose of this act. The handbook that the hospitality association put together, that the auditor's office has said 'this is the official guide' is that the underlying purpose is putting heads in beds, that you are drawing visitors from outside the area. That is where the money is coming from- Lodger's. I think you can keep in mind that that's what the legislature is saying, that when you "advertise, publicize, and promote" that those expenditures are designed to draw in visitors that are going to stay the night.
2. Anti-donation Clause: there is a lot of case law on it and a lot of Attorney General's opinions on it. Basically it says that with few limited exceptions, any state government agency within New Mexico cannot give something of value (that means a thing or a service) to a private entity without getting something in return (or from a legal perspective, without consideration). To give you an example, why I'm concerned about some expenditures of the past.

The Dona Ana county commission wanted to use part of their general fund to provide a community meal that they would just serve food to people in the community, and it would be a big community event. That's a great idea. You know, you've got community bonding that's going on. You've got just a esprit de corps of sense of Dona Ana county. We're all together. We're all citizens, you know, let's do something together. And so they were concerned about, "well, we're going to get in trouble for this?" And so they wrote to the Attorney General's office and asked for an opinion, and the Attorney General's opinion basically said although the county proposed allocation of public funds for a community meal, my survey valuable community purpose, it would violate the anti-donation clause as express prohibition against allocating public funds for a private event benefit without consideration.

So basically all they're giving people is whatever the value of that deal is, \$5, \$10. But what the attorney general is saying is that basically, it doesn't matter what the value is to a particular entity. If it's, if you're not getting something in return, then it violates the state constitution. Okay. And so you have the state constitution up here, you've got the lodger's tax act here. That's why you've got to have an experience. You're passing both tests because even though the lodger's tax act may be interpreted to say, 'we can do this', you can't do something that violates the constitution no matter what the lodger's tax act says. Okay. So that's kind of the legal perspective,

but I was asked to look at, what are some of the expenditures? We also have some guidance from the audit that was done of the things that were going on down in Las Cruces now the issue with the Las Cruces audit is that 90% what's in here is addressing behavior that was just corrupt criminal. Way beyond questionable, there was just no doubt that this would just criminal behavior that was going on. 10% is kind of addressing those, those gray areas where we're really not sure. One of the things that they did talk about in this was let's talk about, I think these are really the four kinds of expenditures that fall into a grey area.

One is the use of city employees to support in that manner. What was going on in Las Cruces is that a shell organization that basically been created that had no volunteers had, is providing no labor at all. And essentially city employees were operating the shell organization. That was, they were doing everything, they were running the event. They were doing all the marketing for the advanced that we're selling. I mean, they were doing, they were running the event clearly.

That is a violation of Anti-donation because you're using taxpayer dollars to run this event. But what they didn't address here is that in any event, that is going to be happening on a government facility, at Red Rock Park or any other city park, you're going to have types of support activities that we always provide. Now, police and fire protection, not a problem, because those are specifically mentioned in lodger's tax as legitimate expenditures. Okay. But does, can the city provide, without costs, the kinds of things that we would do for any event in getting, for example, just getting the facility ready to conduct an event. I mean, we're going to go out there, we're going to explain it up. If it's a rodeo, we're going to do some prep work on the ground, those sorts of things. And I don't think that the attorney general, and again, I'm just, it's my best guess on how the court would rule, but it's my best guess that a court would say, yeah, we expect that the city is going to maintain its parks and the city is going to provide support above and beyond perhaps what you might normally do. For example, at Red Rock Park, when you've an activity on it, you're going to have more staff during that event. So where do you cross that line into where it's, it's getting in trouble? Like the folks in Las Cruces did? I think there's some stuff that we clearly would recognize its okay for the city to do. But on the other hand, m know for example, when George left and I still had Tania Martinez as my legal assistant. We were basically running the Best of the Best rodeo and Tania was putting an enormous amount of time into reservations for the camp, ground, selling tickets, and things like that. In retrospect, I think that's a problem. George would go out, you know, drive the golf cart, but George was volunteering. His time was cause he loved the event, but I think there is a line where it, it goes beyond the kind of support that would be within what's generally expected that we're going to do that just to maintain our facility. I don't know that we've got a lot of that going on anymore with any of our events where we had staff really doing things for the event.

Jennifer: Yeah, the gray areas that we've run into historically have been assembling the arena for the bull riding needed to make sure that everything was within the contract and that is being addressed as we speak. Other things include if city personnel can't take tickets, can't operate gates for events. Especially in this COVID environment, it is not the responsibility of the city employees to enforce the COVID safe practices. The event organizer is responsible for enforcing whatever the most recent COVID safe practices are done. All Around New Mexico designated by the governor. Does that make sense?

Cindy Tanner: But then there's the fact too, and you know, I'm understanding what you're saying. You take Ceremonial, for instance, you have several city employees getting that ready, but you also have an abundance of volunteers that will finish the job. And even some of those getting workers, because I've experienced that with city workers that have worked there, they will be off the clock, but continued to do the volunteering.

Curtis Hayes: So that's absolutely fine. As long as there's no pressure coming from anybody in the city, like a supervisor in that you're going to volunteer your time. Because that was going on in Las Cruces where people were volunteering their time past the 40 hours. And they felt like they really didn't have a choice. If it's truly volunteer, absolutely not, but it's going be true. Volunteers volunteer. I don't think we've had that where any supervisory level person from the city as pressured somebody over time. It's certainly not been reported.

Anna Connell: I just think if this is something did that, we lay it all out. So then in the future, there's no gray area, you know me. Yeah.

Jennifer: This is the importance of having this discussion. Maybe some of these items like this one, they're not terribly contentious. It's more like, this is good for you guys to know that some of these events that are lodger's tax funded. And, and it's just good for the public to be aware of the constraints of the city personnel. You know, we have a policy at the El Morro Theatre that the personnel are not

allowed to assist with unloading of vehicles for music or entertainment, because we do not want to absorb the liability if the equipment comes down, you know? And so that's the event organizers just have to understand that this is, you know, out of respect to your equipment and your property that we're not choosing to do that for you. So they have to just be up front.

Curtis Hayes: Yeah. I think that's a good point, which is our contracts need to be better about drawing that. And as long as, as long as the contract clearly draws the line, I don't think most people are going to be equivalent about where they just want to know what are the rules, what can I expect in the way of support from city staff and what am I going to have to do myself,

Cindy Tanner: Right. Get the job done. Okay.

Curtis Hayes: The second one that is somewhat discussed in the Las Cruces audit is just general event costs, administrative costs. And that they said is clearly not within the guidelines of the Lodger's and tax act. And it doesn't fall within advertising publicizing and promoting, and it doesn't fall within the half a dozen other specific types of expenditures that are authorized. You know, I was not familiar with this [New Mexico Hospitality Lodger's Tax Handbook] until about a month ago when Jennifer brought this to my attention. It's a well done piece of work I've really been impressed with. It's easy to read, it's accurate.

Jennifer: What I'll do for you in the all, is though I did email it to a while though, just for public note on this recording, I will upload this handbook to the city by website as well. So under lodger's tax on the city website, you'll be able to see this is handbook he's referencing. It was put together in a partnership between the state of New Mexico Tourism Department and the New Mexico Hospitality Association. I had the pleasure of being on the committee actually that helped draft the book. Because this has been a prior of mine, and the City of Gallup to have as much transparency as possible.

Curtis Hayes: Sometimes well done stuff like this gets done, but then it's not maintained and, and somebody's gotta be responsible for just keeping it up to date.

Jennifer: In fact, the deputy cabinet secretary of the tourism department did state that it is a priority of theirs as well. So they're taking over, especially in these kinds of conversations, because we're here progressive as a destination to approach our Lodger's Tax and they're very happy for us.

Curtis Hayes: All right. So the other two areas, I think these are probably the most problematic promotional materials that are either giveaways or sold and prizes. So let's talk about just giveaways. Is a t-shirt that advertises Gallup, a promotional material, is that advertising publicizing and promoting? And I think there's an argument that says, yes, it is promotional material but I think there's, there's two issues that you need to think about. One is the issue of does that kind of promotional material really fall within the general intent of the lodger's tax act, which is to attract visitors that are going to spend the night, from some distance away and without having any kind of data to support it. I'd be hard pressed to go to court and say, yeah, we're attracting visitors from Albuquerque because they want to come and get a free t-shirt. I mean, honestly. Now the other argument is as well, they're going to take that teacher back and they're going to wear it around. And again, I would be hard pressed to say that somebody is at Walmart and see somebody wearing a Gallup t-shirt and says, you know, I'm going to go. Never thought it would before till I saw your t-shirt. But more importantly, I think you have to look at it from the perspective of what the attorney general said in the Las Cruces and the Dona Ana county community meal case. Anything that you are giving away that you're not getting something in return for is a violation of anti-donation, according to that opinion said now, again, attorney General's opinions, don't have the force of law that that a court case with them. And so it's just one lawyer's opinion.

It's actually two lawyers' opinions things, because it's the lawyer in the attorney General's office who wrote it, and it's the attorney general who's signed off on them, says, I agree, but who's going to come after us potentially. If somebody complains about the way we're spending launch that it's either going to be a state auditor or it's going to be the attorney general. So even though it doesn't have the force of law, it makes you a little nervous when the attorney general is saying, giving away free food at a community event, violates anti-donation. We told you that five years ago, and here you are giving away whatever it is, we're spending in promotional materials. So am I saying you can't do it- not a hundred percent because I don't know, a hundred percent how important you are this, but the tendency of lawyers is to be conservative? Not politically but when interpreting the law. And so if you have limited resources, you have

limited funding available, and you have things that you can spend your funding on that are clearly allowable, and you have things that you can spend your money on that are questionable and might get you in trouble... Why push into that gray area, unless you're feeling pretty strong enough, unless you feel like you're going to be a test case, unless you feel like it's so important that you're willing to take that risk.

Jason Arsenault: Couldn't you say the same argument about like the billboard ad or a print ad? I mean, it has the event, like let's say event, like in the gallery during let's say the event is September 24th, the magazine came out September 1st. Somebody finally sees it September 30th. So the events already happen. They see the event being promoted and then they say, well, I missed it, but then it's advertised for next year. Maybe I'll look into it. I mean, you could make the same about a prize or something that you have the Gallup [logo].

Curtis Hayes: I mean, you're right. And so I think with the giveaways, one thing to think about, but I don't think it answers the question is it advertising, publicizing and promoting?

Cindy Tanner: It is.

Curtis Hayes: And so let's say that you spent \$10,000 on beer cozies, you know, that you gave away a little bit and they advertise Gallup on the, on them. My task is could I go before a judge looking in the eye with a straight face, argued that those beer cozies fall within this statute? Yeah. I think there would be a lawyer on the other side who say exactly the opposite, no, they are because who's going to come to gala because they solved them or whatever. And then the judge would have to, but I could at least go into court with a straight face and say, these giveaways are okay under the lodger's tax.

Curtis Hayes: But the problem is that I couldn't make that argument. As far as the anti-donation clause. How do you argue that you're getting something in return from a giveaway is no different than this community meal. It's hard for me to make that distinction. I can't come up with one of how those are different than what the attorney general in 2015 said was not okay for Dona Anna county to do so, even if it falls within the tax you're absolutely right. I think there's a solid argument that could be made that some of these things fall within what the lodger's tax could authorize, but you can't spend on something that violates the constitution. The legislature can't authorize you to do something to violates the constitution,

Jennifer: I just want to add something that the state auditor's office said to us was about data. And it's a good point. And I think that's a really key thing when you're looking at the examples. When you look at a billboard, you can get data from the state about how the traffic passes a billboard. For a magazine you can get data about readership. So one of the things that the state auditor positioned us to think about is what is the trackable data on promotional items?

Jason Arsenault: Yeah, you put a T-shirt in a drawer and you never wear it.

Jennifer: I'm not saying 'yay' or 'nay' I'm just saying that that was one of the points that the state auditor encouraged us to consider.

Curtis Hayes: Something I really wasn't aware of until a couple of days ago, is that apparently some promotional items are not being used as giveaways. They're actually being sold by whomever's operating the event. That's, that's just a bigger problem maybe because we are getting it to the promoter again. I think that's just a bigger problem.

Jennifer: For anti-donation especially, we're donating something they're making revenues off of.

Curtis Hayes: I really have a problem with that.

Jason Arsenault: Even if that money from that giveaways used to have the event?

Curtis Hayes: But that's supporting general event costs, which we know is not allowable. Right. So, so it's a problem for a lot of reasons. Prizes, for me are the top of the issues here because some of these prizes are pretty valuable. I think there's an argument to be made that prizes. They're of substantial value are an attraction, maybe they're potentially attracting participants, family and friends. The question then become are prizes a violation of anti-donation. They're not really a giveaway in the sense of the community meal or the t-shirts, that sort of thing. Are you getting something in return of that person competing in the, again, there's just absolutely no case law from any state that I've been able to find. Certainly not from New Mexico, the prizes, I just don't. I just don't know what to tell you. So maybe it's, it's a gray area. It's really all I can say.

Cindy Tanner: I mean, cities are audited all the time. Why, I know this one that you're talking about - Las Cruces and the one you were talking about the one with the food, the meals. Have any other cities that you know of had that same response to what you read is with this one here. I mean, cities are audited all the time on what they do.

Curtis Hayes: What happens in audits is not something that is easily trackable way like somebody requested attorney General's opinion. Is this for our government to do, is this legal for our county or city to do, you know, there's a archive of attorney general's opinions. If it goes to court, I can find that but findings and audits, you know, there's not like a directory that you can go to.

Jason Arsenault: One of the things they have you sign is that, you know, that we won't detect fraud.

Curtis Hayes: Sometimes you do but that's really not the purpose. The state Auditor's office, based on the discussion we had with them and their staff was that last week didn't really have much guidance for us other than, you know, it would be nice if you had data to support that it is an attraction, but they're they didn't tell us, you've got to have data. They didn't tell us if we don't have data or are you just going to accept the argument that we think this is an attraction? Should we be conducting a survey of participants to find out what attracted them? They didn't, they were of no help. Other than to say use your best judgement. They didn't give us much guidance. So the prizes I really struggled with are they a violation of anti-donation and honestly your guess is as good as mine on this one. I mean, this takes some legal analysis is a prize giveaway, or is it something that you're getting something in return from which is that person who's a good competitor coming in, competing in your event because, you know, Jason came and rode bulls for us. You know, everybody in the New Mexico's saying dang, I'm going to go out to Gallup because he's the best bull rider around, you know?

Jason Arsenault: So when we look at the promotion and publicize and advertise, all of those things, we kind of think as pre-event. So once we're not thinking of promote as a pre-event thing, so I mean, prizes kind of don't fall in what you're saying, is it to promote or publicize or advertise? You're saying that the lodgers tax money is kind of pre event advertise publicize promote.

Curtis Hayes: That's kind of my interpretation based on what I found the intent of the facts. And again, let me just say what I said before, which is that this is just my opinion and your guess is just as valid as mine. But my sense of reading the statute is that legislators are writing those words. What do they have in mind? And I, I think what they had in mind is what are you going to do to get people to come to town? And that does mean the event.

Anna Connell: I understand it as when people are asking for funding it's for this year as of this date. And so we're giving away prizes at this one, then we're promoting the following event, which is not what the lodger's tax funds are going for. I think we need to be very black and white with what the funds we are getting are for. And I don't think it's wrong to say it needs to be used for the free event. Just so is black and white. There's no gray areas and it gets sticky. It gets messy.

Curtis Hayes: And that's another good point that you're making, which is just because the law might allow you to do something. It doesn't mean that you have to, let's say that the law says you can, you can do whatever you can get white here. And let's say there was an exemption in the anti-donation clause for beer cozy on an issue it's clearly legal for you to give away beer cozies, just because you can doesn't mean you have to give as a policy decision, you can decide. We just don't like the idea of giving away beer cozies.

Cindy Tanner: But I also think that, you know, when you're giving things up, like it does bring people to town. It does. I mean, the t-shirts the prizes, like you said, you see somebody wearing a t-shirt, and you know, best of the best or the rodeo or freedom ride. I think

it does. I have experienced that. I see I travel a lot and if I see somebody wearing a t-shirt or maybe there's a cap they're wearing, I think, gosh, I didn't even know that existed. I would like to go to that. I think we need to get big. I do. And that's one way to do it.

Jason Arsenault: But I think what we're saying is that they're going to do a t-shirt and sell that t-shirt that that's their general fund, Lodger's Tax is not going to pay for it..

Anna Connell: I'm all for people coming to Gallup, but I want them coming outside these events. We want people coming all dates and not just for event weekends. I want people coming to Gallup. We want people to experience Gallup, right? Not just this weekend, once a year. I just think for us, we need to be very careful with the funds that we're giving out.

Jason Arsenault: This committee's job is to get events here?

Cindy Tanner: To promote.

Jennifer: This committee's job is to look at all of the funds. Not just the events. It's not just marketing the events, what are we doing for the other 325 days of the year? So that's just to understand your role is it's marketing beyond just events in particular.

Curtis Hayes: With that one last point, don't forget, you're not just looking at, what does it say in the Lodger's tax you also do need to consider, is it a donation and whether or not you feel strongly enough about to go out into a very gray area?

Jason Arsenault: So Jennifer mentions the other 300. I wish I could remember the number 320 days of no events. But you said that this lodger's tax is to advertise, promote and publicize events.

Jennifer: I want to read this. [reads from state statute] So tourists means I'm just going to start at the top here. Okay. Tourists means a person who travels for the purpose of business pleasure or culture to a municipality or county imposing the occupancy tax tourist related events means that tourist events are planned for promoted to and attended by tourists. So plan for tourists. So that has to be an important thing. So that is in the state statute, that's in the tourism related events definition. So the phrase that he's quoting though different. Okay. The following portions of the proceeds from the occupancy tax shall be used only for advertising publicizing and promoting tourist related attractions, facilities and events. And then they go over percentages. Section 3-38-21. No less than 40% of all of water stacks must be used with promotion advertising publicizing.

Jason Arsenault: Does it break it down to attractions, facilities or events are that doesn't matter?

Jennifer: No, no less than 40% can be used for all of promotion advertising. [continues reading excerpts from the state statute] And when it considers attractions, that's including the destination as an attraction, to be clear. [Curtis recommended the committee look at the chart within the Lodger's Tax Handbook]. So subject to the limitations can see in this thing, a municipality or county imposing an occupancy tax and use the proceeds to defray the costs of collecting, administering the tax collecting and otherwise administering the tax, including the performance of audits required. So that is me and the finances. Okay. Establishing, operating, purchasing, constructing, otherwise acquiring reconstructing, extending, improving, et cetera, et cetera, or a real property or any interest in real property for the site or grounds for tourist related facilities and attractions or tourist related transportation systems of the municipality. This covers Red Rock Park, the principle of an interest on any prior redemption premiums in connection with other charges by bonds. So if we have a bond against lawns or stacks of paper that advertising publicizing, promoting tourist related attraction facilities and events of the municipality or county and tourist related facilities, attractions and events within the area; providing police and fire protection and sanitation services for tourism related facilities, that's what he talked about. So that covers us from not donating that providing a minimum revenue guarantee for air service. We don't have air service and any combination of forgoing purposes or transactions, but for no other municipal or county purpose. So that's the language.

Jason Arsenault: So does that mean the attractions that already exist or attractions that we create?

Jennifer: Both. The word attraction is the city as an attraction also attractions within the city that we have the opportunity that are already funded or that we have the opportunity to create. So to go back to the February Lodger's tax meeting, to let you guys know where we're at currently, we promote the city of Gallup as a destination, with the intent of bringing people to all of our hotels and our restaurants, et cetera, we maintain and operate Red Rock Park. As the tourism related facility. We had some line items in our budget to build out route 66 as a tourism related attraction. And then events within the scope of publishing, promoting and advertising.. The challenge that you have is within our advertising budget, how are we allocating that advertising, publicizing, and promotion for the destination, events, or things within the destination specifically. So to also add, while we do fund events, the ongoing destination promotion also promotes the events as well. So the Facebook, the ads, the billboard, things like that do often include information about the events. So there's some cross promotion going on when it comes to how we're looking at the promotion of the attraction being the destination or the event as an attraction. So does that make sense? We have 40% of the fund that we're working with that is proposed annually. While we have Curtis is here, I think it is time for us to have the allowed or not allowed expenses discussion. Yeah. Are we in agreement? Yes. I wrote the obvious ones because they already out. So what are things that you consider in either of these categories? I will start with waht is obvious, print, radio, digital media, which includes digital banner ads, static ads, newsletters (Rodeo News has an exceptional newsletter that will feature Best of the Best), et cetera and social media

Curtis Hayes: I'm inclined to think it might be good for me to go, not just because I want to leave but because what you are about to discuss is a policy level discussion that I shouldn't be influencing in anyway. I'll be across the street if you need me. [Committee & Jennifer thank him and he departs]

Jennifer: Okay. I am your secretary and I'm not making decisions. So let's talk about Curtis's four things. One of the, the city personnel, two, with this indirectly promote the operation of the event, three and four. So let's start with number three. Now we'll get to discuss promotional items. There are many types of promotional items. Let's start your two, your big decisions are yes or no to promotional items. And then if your answer is yes, which promotional items are allowed within that. That is entirely up to you, as Curtis said, you have to consider two things. Number one is the item promotional/marketing in nature. Number two, is it anti-donation. Please let me know your thoughts.

Jason Arsenault: I think it's difficult. Like if you've got a t-shirt for your event, and that was your only promotional item that you were going to do, and you had a big "Be there across the front and then the event on the back." I mean, I don't know. Yeah. I think it's easier if we talk about, you know, pre event.

Anna Connell: Well, do we make it so we have to approvals process? . I mean, I know that we asked for the artwork anyway, like promotional items.

Jason Arsenault: When I was first here we had the saddles.

Jennifer: We're a small town with hardworking event organizers, how frequently do you believe that they have their art work ready months in advance? Anna is shaking her head no. You may choose to have an approvals process, so you will need to dictate what that approval process would be. Would that require the full committee to approve it? Would that require, you know, one of you with my signature authority. What would that process look like if you are choosing to do promotional item, artwork situation and what would be the timing. So that is pretty considered as well because in your tasks, the timelines of the lodger's tax committee meetings have not favorable for that organizers because some things such as t-shirts tend to be one of the last things done before events.

Anna Connell: So do we keep it then very black and white and err on the side of caution and really make it in everybody's favor because if they're not going to be ready. I mean, you know, three months in advance

Jason Arsenault: A lot of people who do these events it's not their full time thing. They're trying to get through their normal day and get this stuff done. When you go black and white it can be hard. We all have businesses here.

Anna Connell: I say we cover us and keep it equal for everybody. I feel like it's easy to say, we are a small town. Which is a blessing and a curse. And it's easy to say, well, they've done this before. Yeah. But then new events where like, oh no, sorry. And it could be the same. You know what I'm saying?

Cindy Tanner: We're an advisory board, right? We're not making the rules, it goes in front of council. We're suggesting we're all involved in our community.

Jennifer: The state statute composition specifies we need to have two tourism related industries, two hotel properties, and one community member at large. In this room we have more than that because we have two hospitality properties, one who has a restaurant property (Anna) we have one who has a tourism related business who has had a long standing relationship with the City's oldest event (Cindy) and then you got Jason, who's the trifecta, a tourism related business, a publication, and involved in events. Then there's Ken- you have your experience with the veterans as well as your property so you have a lot to offer this discussion. I know it's a challenging discussion, but this is the idea is today we want to put together a program that I can take to another present to council on Tuesday. And then I can take it to them to vote on later in May so that we can potentially start to fund events early the first week of June, because things opened 57 times faster than anticipated due to the pandemic. We had no idea this would happen in the timeline it would this would happen, but there's a real opportunity here. You understand both the challenges of anti-donation. So I would have a question to you again, promotional items. Now, if you would like to allow them, what would you like to consider?

Jason Arsenault: I think it's easier to say what we won't consider money use from Lodger's tax. That's the giveaway. That's for an item that's being sold.

Jennifer: So you Jason said you felt giveaways are not covered?

Speaker 3: There's tax. You know, if you're at the event and that's a giveaway and then the resale of them isn't allowed.

Jennifer: So what is your definition? Just to be clear for the public record of an event give away?

Cindy Tanner: Hats, t-shirts, frisbees, etc.

Jennifer: Prizes. Let's talk prizes for events since that was number four on Curtis's list. They can have an incentive for event participation. In many regards they earn the prize, it's not something that's just given to earn prize. There's no chance of disposal. You may print too many t-shirts you don't print too many saddles. And what do you consider prizes?

Jason Arsenault: Last time? It was just something that was branded, right?

Jennifer: So we've had prizes and awards go for things such as printed trophies, we have pottery considered as a prize. It had, I've had I-pad covers, saddles, trailers, back numbers. Back numbers are challenging because they are necessary for the operation of the event, which would make them disqualify from Lodger's tax. But so let me pause this discussion. Because I just thought of something for some of the tickets, the admission, where do we fall?

Anna Connell: I say no.

Jennifer: How about banners at an event?

Cindy Tanner: No.

Jason Arsenault: What if a banner has on it "See us again next year" and has the date on it? That's promotion I think.

Anna Connell: But that's in my opinion, I don't know what I'm doing next week. I can't say that for sure if I saw a banner I'd remember it a year later.

Cindy Tanner: Didn't we give a tent or something in a grant?

Jennifer: It ended up not getting funded by City Council. The reason they chose not to fund that event is it was not in Gallup. It was Scott Nydham, he wanted to do a custom tent for his team to take to events. The event was outside of Gallup. City Council said that wasn't bringing people to Gallup, it was our logo on an event outside the city.

Anna Connell: Yeah. That's the question we need to ask here is this whatever we're going to do, does it put heads in beds in Gallup. Whatever we're asking, like if the tent, I don't think so.

Jason Arsenault: Well it's the event, right? I mean, you then is that you're trying to break.

Jennifer: The tent is event operations.

Jason Arsenault: I understand that. But I mean, the event is, I mean...

Anna Connell: And, but what I'm saying is, I feel like we really need to get crystal clear on this. Otherwise you could say my whole event fund it all. Because it's, you know, we can go both ways. I just feel like we need to get crystal clear on where this money, otherwise it could be misused.

Jennifer: So let's go over some other uses to go back: Print things such as the lion's club book. You know, we do a visitor's guide. We went over that budget back in February. We don't have a strong distribution plan from outside our community and many people are consuming things digitally. So that budget was cut for those reasons. So that's a different expense. It's not to say that print isn't relevant. We also haven't funded the Adventure Guide. Now I'm going to bookmark that we're going to come back. The state selected McKinley as a partner for a new where they are creating an Outdoor Recreation Atlas, where they are mapping both existing and developable outdoor recreation assets. If someone comes to ask for Funding for the Adventure Guide, that is up to you. I'm not saying 'yay' or 'nay' if the Adventure Gallup board comes back and wants to do a guide, I'm just telling you we are participating in a much bigger project. I that promoting the trails? The short term answer is no, but in the long term yes, so those that is information for your consideration.

Cindy Tanner: In the past we have funded that, and the Ceremonial book.

Jennifer: So this brings up a question: is a publication that they sell sponsorships into anti-donation because now they're making revenues off of the book that was lodger's tax funded?

Anna Connell: I would say, yes. That we should not be allowed to do that. If they're selling space it is anti-donation.

Jennifer: The same would apply if you had decided to allow giveaways (with regards to putting logos on things and the anti-donation of resale).

Jason Arsenault: I mean, think of how big ceremonial is for our community and how expensive it is to run ceremonial. And then we don't want to, you know, it needs help. It's not like there is one individual giving this.

Anna Connell: I agree, but I'm just saying, if we do it for one, we do it for all.

Cindy Tanner: I think the ceremonial is our crown jewel. I've said this one, but I said this once, I've said this several times, ceremonial is Gallup's child. She's still walking. I mean, we're here to help her. We're not gonna let it fall. I mean, there's, it's an obligation.

Jennifer: With regard to the Ceremonial discussion let me say this. Currently ceremonial is not part of the grant discussion. It got budgeted within the professional services part of the Lodger's Tax budget because the state is involved. This puts things into MOU territory. The State needs to sort out with the local board how they wish to proceed but the money for Ceremonial is already set aside. So the question now is the same, regardless if they, are a rodeo or the Gallup film festival, if any of these events print a book and they sell sponsorships for space in that book, are we allowing of resale of the same item (the book)? Is it anti-donation? [nodding in room] Yeah. So does that mean they may print a book but with was no advertising in it?

Anna Connell: Yeah. And I think that's a good way to do it and then they can choose, would they rather have the funding, from Lodger's Tax, what we can give or they can go out and get it on their own and we can still help them, but they can't have it all.

Jennifer: So they may print a guide but they may not sell advertisements within it?

Cindy Tanner: Oh yeah. Fair enough.

Jennifer: Thoughts on trophies, pottery, trailers, ipad covers, banners as a prize - that's a consideration- May a banner be a prize?

Anna Connell: Yes, banners as a prize, trophies, saddles, buckles. The thing is, is if it's a good prize kit can make people want to come. Yeah, but they, but I would say we've got to have our logo.

Jennifer: What about sponsorships- when an item is large in price and our grant doesn't cover the entire expense- may they share sponsors of the item? If they want to buy a trailer and are wanting to use both, is that okay?

Cindy Tanner: Why not? We've done that before.

Anna Connell: I'd say yes.

Jennifer: Is there any ting else you can think of? May they build a website with lodger's tax.

Cindy Tanner: No. I don't think so.

Anna Connell: No.

Jason Arsenault: But don't we use money from Lodger's Tax to build a website? That's the idea of the website to advertise, promote, and publicize Gallup. Think about it, when you want to know something going on with Ceremonial and how frustrating it is when you go to a website and there is no information.

Jennifer: To add to what he is saying in 2015 Gallup was awarded money for web development with State Tourism dollars. Then, for four years they said, no we will not support web development, then last year they turned around last year and awarded us \$12,000. So to give you that level, okay. What would you like to do?

Jason Arsenault: I mean, and everybody uses internet information.

Anna Connell: My only thing is iss it only going to be used for Gallup or are they going to be like, if it's a traveling event or they just don't want to pay for a website where they're going to go post whatever event in a few areas and working for them to promote elsewhere?

Jason Arsenault: I mean, we'd have to find on here who has multiple destination events.

Jennifer: The kicker arena cross has multiple events, and maybe 24 Hours in the Enchanted Forest because it's a series, but otherwise it's not currently an issue.

Anna Connell: Again, maybe not necessarily any of these on this list, but I'm also thinking ahead, like people come and they say, well, you said I could do website construction and I tour the southwest, you never told me, like, I'm just trying to think bigger picture here or if we have new events coming to town.

Jennifer: Well, I guess middle ground. Yes. Your website must be specific to Gallup event?

Anna Connell: Yeah.

Jason Arsenault: Uh-Uh. I mean, it's only \$130,000 we don't have much to worry about.

Jennifer: Well, most web domains are around \$150 dollars or something like that so this could really help [with the small expenses]. Just so you guys know, this is the number we're starting with, we're working with a forecast of what we've got. In January, if suddenly we're looking at 2019 numbers then it's no problem to I have no problem coming to you, giving you that reality, and taking a request from you to council for an increase at your recommendation. We are not going to do the route 66 sign program this year. We have until 2026 to help create our destination as an attraction on Route 66, plenty of time to launch that program and the events need the help this year. Is there anything else you would like to talk about in terms of allowed and not allowed expenses?

Ken Riege: A lot of events have t-shirts and hats, and they can buy those out of their own pocket. If they are selling those, how are we going to...

Jennifer: They bought it out of pocket then it's totally fine. If they find of sponsor. So say you're at the New York film festival and Lions Gate studio agreed to sponsor the hats. Well, get on the side and said, you're right. You're good to go. What it is, is that's private money. They can do what they want. So that's the argument, right?

Everyone mumbling: Yeah.

Jennifer: Here's one thing I run into is a lot of times people want to use the logo for everything. The only issue that I run into the public perception. If our logo is on it and the public thinks we funded, it, we run into issues? This is my saying "if it is tourism related within the city of Gallup, Fine. If it is not related to tourism or is outside of city limits then no." That has been what I've used in my office as the guidance on that. So like a community cleanup in McGaffey, that shouldn't use the tourism logo. While you are excited to beautify the area on the behalf that is not directly related to tourism promotion. We are going to get a new logo in the summer that doesn't say real true so that it's more user friendly. And I would propose that we work with event organizers in the future to see what other uses can be, or is there a way that this can be visited in another first, if there's something else we can do to come back to this, you know, whether we have a specialized thing that we print and give it to all of this. So they're not specific is that here it's 20- 20 Gallup destination shirt? That's something for consideration for the future is that so many shirts to get out that consideration. For now, let's table that.

Jennifer: I'd like to move on because this is not the worst part. With that much money on the table, knowing what that is, here is the question, what kind of grant program would you like to have? We have a couple options. Previously. We have approached that they brought us a narrative. They gave us a budget and we picked an arbitrary amount. We may choose to do that. Or you may choose to do something different, such as a formula based on days like previous attendance, a formula, this is entirely up to you. I will make this, postulation, that a formula, maybe more helpful right now going into COVID because if we have a formula based on previous attendance, and then we can make awards faster. If we are going to award based on the merit of the event. That's again, that story, because we can't make awards as fast. We will have to reconvene this group and we will have to have the event organizers present to you. So there's two ways to go ago, the merit of the event for the community or previous attendance and length of the event or future length of the event.

Cindy: Are the event people here talking to us?

Jennifer: That is an option if you'd like to go based on merit. When I'm saying a merit based event that means you determine the award based on value to the community. Or do you determine the value based on previous attendance and length of the event? So let me turn your direction over here. Then you can see, you can make this decision. Okay. If you go off of previous attendance and length of the event, what you're looking at here is three or four days, and how many people attended the negative sign shows how long the event was. [Jennifer points at sheets on the wall, chart is included with these minutes that includes the data and reviews the events in attendance from largest to medium, the top 10. Jennifer also summarized that team events have more attendance than the event organizers seem to indicate] Yeah. So when you're considering how we're funding again, think about how you're giving a student a scholarship. Is the scholarship based on your GPA- the event data- versus a scholarship based on, merit or achievements, something besides GPA? I'll let you discuss.

Cindy Tanner: So this is the funding that we have to work with?

Jennifer: Yes. I will tell you this, on average most of our events have spent almost 50% on giveaways from within their award [which you said we are not allowing]. While it seems scary as a committee, know this. When an event spends 10K on shirts and the event only gets 20K, if we gave them 20K this year, they are in pretty good shape. If it were me, I'd recommend they buy them and sell them, but that's just me.

Anna Connell: I hope that everyone would also understand the year we've come out of and the money that we have or don't have.

Jason Arsenault: Can you give us the last time totals so that we can write that down? [Jennifer handed out a sheet with the 2019-2020 award amounts, regardless of how much got used because of the pandemic.] We know that all of these are going to happen?

Jennifer: So two things, number one, we are looking at funding events, July 1 to June 30. So for the most part we're operating under the assumption that they will happen because for example, Lions club is not happening this year but it before June 30. So it's funding in the future of this budget. You know? So the first event is Wildthing and then right behind that Tod from Kicker Arenacross is planning on having his event as well. We have events coming very quickly. So depending on how you decide to go, whether it's GPA or merit scholarships, it may require another meeting. And that's up to you.

Cindy Tanner: Gosh, does, this is a lot to be decipher.

Anna Connell: It really is.

Jason Arsenault: So what we're saying is we're taking out \$150,000. And there's no more money.

Jennifer: Not right now. Lodger's tax has been down 40%. So the question is if we start to pull money from other things, what do we pull from? We already pulled the money from the Route 66 Signage grant program. We have money set aside to market downtown to help revitalize due to the construction. We have money potentially set aside for marketing businesses outside the community, a 'shop Gallup' type of thing. In our general destination advertising, we have a public relations contract, which is important now after the pandemic, we have print ads, we have digital ads. If we want to cut or move money what goes? Let me do this for you, let me circle the events that have only bought promotional items in the past. Jennifer circled all the softball events, and then indicated that the rodeo events have a higher percentage of awards and promotional items.

Jason Arsenault: Isn't that what lodger's tax is? Promotion?

Jennifer: When I say promotional items, I mean the giveaways. Sorry. You already decided you weren't allowing those. Is a shirt an award?

Cindy Tanner: If you are giving out participant pieces, does that fall into anti-donation because they paid to get the shirt as part of their admission? [nodding in room]

Anna Connell: For us to consider a shirt as an award, there's how many?

Jennifer: Is giving the coaches of the TDFL teams a coaches shirt an award or participation?

Anna Connell: It is participation, so it doesn't count as an award.

Jennifer: That's the question. We can do two things. You can use a formula to determine funding or versus GPA or scholarships. That's what you're deciding.

Jason Arsenault: On this sheet there's about \$300k, so if we subtract the \$50K from Ceremonial since that is somewhere else, we're looking at 100K less than before, correct?

Jennifer: Yes.

Jason Arsenault: For that. I mean, because we circled, some of them were saying that these are giveaways. But maybe there are things that they don't listen to this conversation and we can share with them to do something different.

Anna Connell: well, is there a way that we basically we can have an outline of what we thought through today? What we will allow them to allow and then can they come the presentation? They do their presentation. I would feel more time talking to them. I just can't think any more today.

Cindy and Jason: I like the presentations.

Jennifer: So what I'm hearing is merit based with interviews. What does the application include, everybody?

Anna Connell: The same applications they've always done' but it's just I think they've always done so, but it's going to have to be.

Jennifer: Event description.

Cindy Tanner: Yup. How many days

Jennifer: Duration, location. We have their past funding and attendance, so we don't need them to do that.

Cindy Tanner: Where are you promoting your event?

Jason Arsenault: How are you promoting it?

Jennifer: So you want to know an event description, the duration? Marketing it- Where how, and to whom? You want a budget? Yes. Do you want quotes up front?

Cindy Tanner: I think that would be helpful if they could get it.

Anna Connell: I think we do need quotes and I know it is probably going to take a little more legwork upfront, but what are working we would have to know or else we can't make decisions.

Jennifer: Okay. So is there anything else we want to consider? Do you want to look at the size of the event?

Cindy Tanner: Is it promoting Gallup? It's all of these guys. It is hard to do these events and nobody's to say one is better than the other. I mean, they're all different in they're in Gallup.

Jason Arsenault: The big ones started out small too.

Jennifer: Do you want to have any other metrics within the application that they should know about other than the allowed and not allowed? What about events outside the city limits? Must it be in Gallup?

Jason Arsenault: It's hard. It's a tough one. Is Red Rock Park in Gallup?

Jennifer: Yes, it's within the City limits and operated by the City of Gallup. It even comes out of Lodger's Tax.

Anna Connell: I think that is a conversation we have with them. Do they know if there are people staying in Gallup?

Jennifer: I'm going to tell you right now, every event is going to tell you that they have hotel stays in Gallup. They want funding. There was one event years ago, the Big Brothers Big Sisters, that couldn't say they supported tourism through hotel stays and chose to withdraw their application on their own because they didn't feel it was a tourism related use.

Jason Arsenault: But I mean, you have this event, that's not in the city limits that brings in 1200 people and then have another event over here that has 230 people. So, I mean, you know, we have to ask ourselves, is there still a benefit because of the number of people? And I don't know if that's participants are all the people that came the application

Jennifer: Our application asks for anybody who is at the event. Some of them are participants. For example, Walt Eddy tracks his participants but not his audience. So these numbers could all be higher because these are registered participants. Whereas some of these maybe 240 people walked in the door, but that doesn't take into account family that is there hiking trails.

Jason Arsenault: We promote McGaffey anyway.

Jennifer: So, we're allowing events outside city limits. What about new events?

Cindy Tanner: Didn't we have a cap of \$1500?

Jason Arsenault: I thought we did.

Jennifer: We haven't had a cap, lately, it's changed every few years or so.

Cindy Tanner: I think we should.

Jennifer: What would be the threshold for new events?

Anna Connell: I would say \$1500?

Jason Arsenault: That's coming in? Maybe somebody wants it the most, the big event. And then, yeah, I don't think, I think we just hear what they have to say before we put a cap on it. I mean, yeah, because if you have somebody that really is promoting the big event you'd like that to be in Gallup. And I mean,

Anna Connell: I just want to make sure that when we are talking to people, especially in the events that they understand tourist related versus an event that just local people. And to me, local, I think we, we, at one point said it's less than 120 miles, right.

Jennifer: The state definition is 60 miles.

Anna Connell: Okay. But still, like, I just want to make sure that the events that we're hosting, aren't just marketing to people that go home after the event.

Jason Arsenault: Think probably all of them.

Jennifer: I'm going to give you the reality that right now it's probably only a few events that truly meet that definition. There are two things we need to look at, and my city manager said it best. In some ways the City council looks at the 2021 events right now as community healing, we are quality of life as well as tourism.

Jason, Anna: Right.

Cindy Tanner: That's true.

Jennifer: So it is important to me that we look at supporting the events in any capacity that we can. I have indicated to Cindy that I don't have plans to do any outside evaluations of events until 2023. Right now when the surveys go out about travel intentions it's all over the place, so it wouldn't be fair to our event organizers. The industry numbers are not healthy, but I don't think these events can survive not happening this year. So we need to do what we can to support them and think of this year as a recovery year because two a lot of things things are going to happen between now the end of the year, and three we're going to have our COVID safety and other things that might come up. More events will recover, and I can swear on a Bible that one 130 is not going to be enough, this is simply a number based on that we can come back in six months and evaluated again. You know, that's the thing about being an advisory board is we are not here to be the final say, we are just looking at the tools in your arsenal. What are you looking forward to be able to support these so they don't stop either?

Cindy Tanner: That's why I think it's so important that we visit with these individuals who are involved in these events, because we don't know what it's going to look like in. As you say, we are healing, and we want everybody to be on game with their events.

Jennifer: And so, okay. So I'm going to draft, rather modify to include these questions.

Anna Connell: Let's hold off on the threshold then. I think we're going back and forth between pre-pandemic and now. And I don't think the threshold is fair.

Jennifer: Okay, I have one last very important question. This has always been my job to bring up stuff, right? Timeline, we have Wildthing coming first full weekend is a lot, how can we turn this around? So we present to council on Tuesday night and get an application out Wednesday. Can you guys meet potentially during that last week to do the first round or anything?

Cindy Tanner: I think we need to. When are you thinking Jenn?

Jennifer: Looking at the calendar. Tuesday night, Cindy is going to join me, any of you are welcome to attend, Tuesday night we are going to present the findings of this meeting. It's going to be three things- the discussion with Curtis, the committee recommendations, and the details of the future application. Merit based- means fluctuating amounts based on your discussion with event organizers. It means you could have a two day event that gets more than a four day event, that's fine, it's up to you to think about between now and our next meeting- what is an event that should receive more funding another. That's for you to decide. May 11th I'd represent to council. The 12th opens for the first quarter- July through September. It closes on the 18th. I don't think they can get us quote in five days. I'll just say quotes are recommended but not required. In defense so many of these businesses, quotes aren't always valid after 30 days.

Jason Arsenault: Also that the August events, July, August events have to have it in by that date too. Y.

Jennifer: I'd say yes but it's up to you. You have two choices. You can eat more frequently or them, which do you prefer? Because I would say at this point, if somebody's planning on having this event before the end of September they should know by now.

Anna Connell: Absolutely.

Jennifer: Because otherwise how much lead time would they really get for marketing? All the publications I can think of have far out timelines for publishing, I just know the digital sides and publications like Rodeo News and Humps and Horns are really accommodating. So, that comes back to the question. Are you requiring the first quarter people to have their applications in during the first round?

Everyone: Yes.

Jennifer: Okay. So first quarter is July to September events. Are you against the 18th by 9:00 PM?

Jason Arsenault: Of May?

Jennifer: Yeah, it's a six day turn around. But I'm going to go back to my office now and send an email about the applications. I will also have an online application if you choose to fill out instead of paper to make it easier, so they don't even have to bring something to city hall. Does that work?

Everyone: Yes.

Jason Arsenault: And they've done it before, so they know what to expect.

Jennifer: Can you all meet on the 19th? It is a Wednesday.

Cindy Tanner: Yeah. I think we need to get this done. I think at 11 is great. Here. [everyone agreed]

Jennifer: I'd like to say thank you for discussion on this. I feel so much more comfortable as an employee of the city of Gallup to utilize your guidance. Like I said, nothing is set in stone, we may turn around later and find we have a lot more funding. One last question: are we going to treat this as first come first serve?

Cindy Tanner: No, no, I don't think so.

Jason Arsenault: Not if we're trying to help these events.

Anna Connell: That's the question I wanted to ask- are we going to have more money?

Cindy Tanner: We don't know.

Jennifer: That's something you'll need to think about between now and the next meeting. If it is not first come first serve, how are you dividing the money? Or what are the metrics you're going to have to decide that for yourself?

Cindy Tanner: Well, and I think to Jennifer, everyone that's involved in that is involved in these events knows what a rough go it has been and we're all trying to get a little more. So maybe we're not going to get what we're used to getting, but we're going to give our best. And I think we will have more money. I do. I'm hoping we do, but going on, what you're saying with okay. First come first serve no. I don't think that's it.

Jason Arsenault: And I think, you know, what these new guidelines we have with these gray areas, when you say general event costs is not within tax lodger's money and you look at something like this, that 83% of the budget of the money they got from lodger's tax was used for the event. I mean, I think there's a lot of places. Maybe we can, we can change the shape.

Jennifer: I'm going to preserve the line in the application that says that the lodger's tax committee has the right to decide about something specific within the budget and here's the other thing I would like to preserve: It's not in the budget, it's not reimbursed. Because I would think we could run into problems or somebody says I spent \$2,000 and you had no idea. So those are in there.

Cindy Tanner: We're all on the same page here with what we discussed. Right. And with not allowed expenses? [Everyone is nodding]

Jennifer: So this is very exciting. I will send an email as soon as I'm back to my office about a timeline. I would send it of the timeline. Cindy, you're going to present with me at Council. With Anna. Six pm.

Jason Arsenault: Think one thing that would help us is it on that budget, if they broke it down, like we could have this advertise or promote publicize costs compared to general, then like

Jennifer: We have in the past asked for their event budget, and for their advertising budget. We just ask them to specify what it is, when it is running and for how much. I think in the future, I'm talking 2023, we need to start looking at how far their marketing reaches, but right now that isn't worth it.

Jason Arsenault: I think sometimes we get confused about who we are advertising to. If they're not from here we need to work on that.

Cindy Tanner: 60 miles.

Anna Connell: From the hoteliers standpoint it is really hard.

Jennifer: Going back to the state statute it would be heads in beds.

Anna Connell: It's really hard going back to the state statute, but that's literally for now we're saying the future. I think you may have to circle back to that home, you know?

Cindy Tanner: Yeah. I just want to say Jennifer, I appreciate all you do for our committee and all you did for the city. It's not just it's a labor of love for you. I feel like you are a numbers person and that you're doing, you're doing great. I appreciate that. And I appreciate the time they take to talk and explain to us what our job is, I mean, we are not the last word by any means. We just suggest, we're trying to understand well,

Anna Connell: And you really do understand like at a deeper level than most. Yeah. I appreciate what you do. So you make it our job easier. You do a lot easier.

Jennifer: Jenni would also like to say thank you to you all. I think the application is going to be familiar to them, so it helps them and I'm going to continue what I'm doing as well and you're doing great. Oh- is ad design an allowed expense?

Anna Connell: Yes, it's got to look good if we're going to do it.

Jennifer: Is photography an allowed expense?

Cindy Tanner: Yeah. I think it would be, I think it would be. It's a good idea.

Jennifer: Do we want any shared ownership of photography that Lodger's tax is used for or no?

Cindy Tanner: No, I think the way we had it before [where they turn in a few photo with the after event form.] Motion to adjourn?

Anna Connell: Motion.

Ken Riege: Second.

Cindy Tanner: All in favor?

All: Aye

The columns on the next page were typed from the giant note-pad hanging in the room on which Jennifer took notes during the meeting.

DRAFT

Not-Allowed

- Resale of any Lodger's Tax funded materials
- Sale of sponsorship space on a Lodger's Tax print or digital advertising medium
- Back numbers
- Tickets, admission badges
- Banners- exception: for a sports team prize/award. Not allowed for posting sponsorships, event schedules, or other on-site purposes
- tents or other physical structures
- Give-aways- t-shirts, hats, cups, small items, sports equipment (balls, frisbees, etc). These items may not be considered awards.

Allowed Expenses

- Print Ads
- Digital Space, digital newsletters, static ads
- Social Media
- Billboards
- Radio
- Print guides/magazines- with no advertising or sponsorships sold
- Website- only to Gallup specific event, not whole business or other events. One time design, annual fee for domains
- Photo and video (required to submit 3 photos and/or 1 video from service)
- Prizes and Awards: May include banners, trophies, saddles, buckles. Must have tourism logo, may include shared sponsorship

Funding Available for FY22: \$130,000

Applications become available May 12th. They will be emailed, there will be an online submission option, or print copies will be available in the Tourism mailbox at the City Clerk's office.

Event Name	Event (Days)	Attendance 2018-19	Attendance 2019-202	Event Location
Memorial Day 5K	1	230	130	Sports Complex, Gallup
Friends of Hubbell Native Arts Auction SPRING	1	240	cancelled	Community Center, Gallup
Race at the Rock	1	332	cancelled	RRP, Gallup
Red Rock 100 desert Race (17/18 merged with other events)	3	376	cancelled	OHV Park, Gallup
Gallup Film Festival	3	385	97	El Morro Theatre, Gallup
Red Rock Trailer Roping	1	614	cancelled	RRP, Gallup
Spitfire and Classic Invitational Rodeo Events	1	734	cancelled	RRP, Gallup
Spring Smash	2	850	cancelled	Sports Fields, Gallup
Sacred Heart Spanish Market	3	950	cancelled	Sacred Heart Cathedral, Gallup
24 Hours in the Enchanted Forest	2	1,200	890	McGaffey
Annual Gallup Lions Club BBQ	1	1280	cancelled	Downtown, Gallup
Red Rock Classic Team Roping	2	650 teams (2 per tea	cancelled	RRP, Gallup
Mario Estrada Memorial Softball Tournament	3	2,950	1440	Sports Fields, Gallup
Kicker Arenacross Show	2	5,200	5201	RRP, Gallup
Four Corners Invitational Youth Football Championship	2	6,160	7040	Sports Fields, Gallup
Freedom Ride, Fight and Cruise	3	7,500	6000	Downtown & RRP, Gallup
Red Rock Balloon Rally	3	8,000	6577	RRP, Gallup
Wildthing Championship Bullriding	2	8,100	8824	RRP, Gallup
Annual Gallup Lions Club Rodeo	4	12810	cancelled	RRP, Gallup
Adventure Gallup Outdoor Guide	n/a	n/a	n/a	publication not event
Friends of Hubbell Native Arts Auction FALL	1	xx	140	Community Center, Gallup
Gallup Senior Softball League	3	xx	1130	Sports Fields, Gallup
Gloria Saucedo Womens Softball Tournment	3	xx	73	Sports Fields, Gallup

Event Name	Event Date	Total Budget	REQUEST	% of Budget	Committee
Freedom Ride Flight and Cruise	July 26-28, 2019	\$ 21,532.78	\$ 17,891.09	83%	\$ 17,891.09
Red Rock Desert 100 Motorcross	September 13-15, 2019	\$ 20,700.00	\$ 12,500.00	60%	\$ 12,500.00
Gallup Inter-Tribal Indian Ceremonial	August 2-11, 2019	\$ 512,540.00	\$ 50,000.00	10%	\$ 50,000.00
Four Corners Invitational TDFL Tournament	October 26-27, 2019	\$ 30,000.00	\$ 20,000.00	67%	\$ 20,000.00
Wildthing Championship Bull Riding	July 12-13, 2019	\$ 116,500.00	\$ 35,000.00	30%	\$ 35,000.00
Friends of Hubbell- Fall Native Art Auction	28-Sep-19	\$ 77,410.00	\$ 4,450.00	6%	\$ 4,100.00
Tri-State Firefighters Convention	August 1-3, 2019	\$ 39,367.50	\$ 8,596.49	22%	\$ 5,000.00
Kicker Arenacross	July 19-20, 2019	\$ 67,980.00	\$ 18,600.00	27%	\$ 14,000.00
Squashblossom Classic	September 13-15, 2019	\$ 23,650.00	\$ 9,866.00	42%	CANCELLED
Mario Estrada Softball Tournament	July 12-14, 2019	\$ 14,600.00	\$ 8,650.00	59%	\$ 5,000.00
Gallup Film Festival	September 12-14, 2019	\$ 36,153.07	\$ 22,422.26	62%	\$ 16,000.00
Gallup Seniors 50/60 Softball Tournament	August 30-September 1, 2019	\$ 9,529.26	\$ 7,905.70	83%	\$ 5,000.00
Gloria Saucedo 40 Women's Wooden Bat	August 30-September 1, 2019	\$ 3,070.16	\$ 2,379.89	77.52%	\$ 2,379.89
24 Hours in the Enchanted Forest	June 6 or June 13, 2020	\$ 45,000.00	\$ 10,000.00	23.00%	\$ 6,300.00
Friends of Hubbell- Spring Native Art Auction	2-May-20	\$ 92,500.00	\$ 4,100.00	5.00%	\$ 4,100.00
Red Rock Balloon Rally	December 5-8, 2020	\$ 75,875.00	\$ 37,500.00	50.00%	\$ 37,500.00
Arizona Interscholastic Cycling League	Several	\$ 20,388.00	\$ 12,488.00	62.00%	COUNCIL DEC
Race at the Rocks	31-May-20	\$ 11,230.00	\$ 6,000.00	53.43%	withdrawn
Red Rock Classic	June 5-7, 2020	\$ 54,600.00	\$ 8,500.00	15.57%	\$ 8,500.00
Spitfire & Red Rock Invitational	June 22-23, 2020	\$ 15,500.00	\$ 4,000.00	25.81%	\$ 3,100.00
Red Rock Trailer Roping	28-Jun-20	\$ 16,850.00	\$ 4,000.00	23.74%	\$ 4,000.00
Lions Club 72nd Annual Rodeo	June 17-20,2020	\$ 220,000.00	\$ 25,000.00	11.36%	\$25,000
Lions Club State Meeting	May 1-2, 2020	\$ 12,700.00	\$ 4,000.00	31.50%	\$4,000
Manuelito Children's 5k	25-May-20	\$ 6,145.00	\$ 5,000.00	81.37%	\$5,000
			\$ 338,849.43		\$ 284,370.98
				Available FY20	\$ 300,000.00
					\$ 15,629.02

Applications Not Received for FY20:

Adventure Guide, Spanish Market, Spring Smash

Amount Requested on 1/20/2020 is \$34,000