

Lodgers Tax Meeting (LT) 2/9/2021 10:00am

Broadcast live on Facebook

Call to Order by Cindy Tanner: 10:01am

Roll Call: Cindy Tanner (Chair), Jeremy Boucher, Jason Arsenault, Anna Connell, Ken Riege in attendance

1. Resolution NO R2021-1 Annual Determination of Notice Under the Open Meetings Act

- a. Presented by City Clerk Al Abeita and included with these minutes. This version of the OMA
- b. *Motion to approve resolution number R2021-1 by Jeremy Boucher, Second by Cindy. Cindy: yes, Jeremy: yes, Jason: yes, Ken: yes, Anna: Yes. All***

2. Annual Strategic Plan Update.

- a. Jennifer presented the Lodgers Tax Strategic Plan chart
- b. Jennifer proposed adding:
 - 1. Addition of the "Road to Route 66" Five Year Plan. Jennifer explained the possibility of the Route 66 Mural installation on the fence along Route 66 and outlined the partnerships with BNSF, Galluparts, Mainstreet. She discussed that this is pending council approval for a budget transfer (*NOTE from 2/10/21- follow-up with Patty Holland right after the meeting shows no council approval needed to move the budget*).
 - 2. Development of the Gallup Signature Events Program for the second half of FY22: applicants would no longer buy their advertising, everything would go through a marketing vendor contracted by the City of Gallup. Jennifer discussed the Las Cruces audit with the board. Findings she highlighted were that lodgers' tax/tourism events must make an impact on lodger's tax revenues. Additionally, they were docked for using funding for putting on events, for promotional items, and for awards. There was also an anti-donation issue with city personnel working private events. Benefits of this program include reducing work flow among city departments, unifying branding and creating high impact high resolution advertising, reducing the amount of work on volunteer event organizers, and leveraging the cost of ad buys.
 - i. Cindy asked for a Ceremonial update, Jennifer explained the State's roll and the task force. She also explained that the Ceremonial funding would be in an MOU with the state and exempt from this program. Jennifer explained that 2022 will be the 100th. This year will be virtual. She also talked about LEO Events and the SERRI initiative that the state has contracted.
 - ii. Jeremy asked how a new event could be funded, how do they get on-boarded, what is the value of the marketing. It was discussed that this would be ironed out in a meeting in May. Jennifer explained that the next meeting would be entirely flushing out this program's details.

3. Development of the Event Support Grant Program for FY23- Jennifer explained that this could exist because of how the state statute includes fire, police, and sanitation services, and that she proposes we examine this for the future.
- c. Jennifer mentioned that the following programs and initiatives from the FY21 plan are moving forward in FY22 pending approval from City Council:
 1. The website redevelopment and logo refresh
 2. Route 66 Signage Grant Program
 3. Route 66 infrastructure development (to be reinterpreted into the "Road to Route 66" plan)
- d. *Motion to approve additions and changes to the strategic plan, Cindy, Second: Jeremy. Cindy, Jeremy, Jason, Ken, Anna- all yes*

3. Discussion of New Website and Features

- a. Presented by Jennifer. The current version of www.galluprealtrue.com is now five years old, so it is time for a revamp. City Council approved funding of \$65K from the Lodgers Tax reserve to initiate this program. Additionally, we have received a \$12K grant from the State of New Mexico Tourism Department pending completion of the project.
- b. Components being added: hotel booking (will be added to our current site until the new site is complete), travel advisory section, travel trade/group travel section, weather, newsletter sign up, integration into our database. Items changing are: reducing the amount of text, increasing visuals, User Generated Content interface, Restaurant listings include food photos, map to the location, and amenities. As will hotel listings through the direct reservation system. Additionally we will be adding a pop up widget that links to an app that can do walking tours of Gallup, that could possibly build out to tablets/touch screens for digital concierge options ([HTTPS://VISITWIDGET.COM/](https://visitwidget.com/) check out WWW.DISCOVERRUIDOSO.COM for the widget in action).
- c. The roll out will take place tentatively in September. Jennifer needs to speak with the state to see if they can amend the deadlines for the grant she received because only the creative and preliminary design phases will be done by the end of the fiscal year. In FYH 22 Jennifer will launch a new media campaign with digital marketing, SEO and content creation for the blog (will get quotes in the summer to execute early fall). We are also getting a refresh of the logo, colors, and fonts for the brand that will take place in the next few months.

4. Discussion and Action: Route 66 Sign Grant Program:

- a. Jennifer from the Gallup Tourism and Marketing Department is recommending creating a Route 66 sign grant program to launch in FY22. This program has been previously discussed by the LT committee and is in the LT Strategic Plan. The funding for this comes from what was previously allocated toward events.

- b. The program would be modeled after the Tulsa, OK, grant program, in which applicants had to follow all signage requirements set forth by the city, and provide a 1:1 match. The grant program was reimbursable. The timing of this program is good because Route 66 celebrate its Centennial in 2026. This would be an important step toward building out our Route 66 tourism.
- c. Jennifer drew attention to the documents attached to the agenda.
- d. Discussion: what provisions would we like to add to the program, what are your thoughts on the program?
- e. **Motion to approve \$50,000 in the FY22 budget for the launch of the Route 66 Signage Grant Program Cindy Tanner, Second: Ken. Cindy, Ken, Anna, Jeremy, Jason. All yes.**

5. Budget Proposal for FY22

- a. As the committee got into the discussion, Patty Holland joined the call to discuss the Las Cruces audit-based changes to the budget and its programs. She then invited Anna Connell and Ken Riege to speak about the changes and their thoughts as hoteliers: Anna: "I was thinking how excited that I am that its so laser focused on what we can spend our money on. There is not a lot of grey area where people can say 'I got this or they got this' and we know what we can spend our money on. We can use it to help our community and our hotels by bringing people into Gallup versus paying for local people to attend events. We need to bring people to Gallup, not just support local events." Ken "I agree with Anna. It does seem like a lot of lodgers tax money does go toward events. That it doesn't really bring a lot of people from outside of a 30 or 40 mile radius, so the hotels bear the brunt of paying for the events but nobody stays at our hotel for it."
- b. Jennifer then asked the question to Ken and Anna. "What is the process like on your side to pay the city's lodgers tax?" to educate the committee. Ken: it goes to their headquarters/Yogash handles more of this. Anna: It is a little bit of a process. Anyone that stays over 30 days we have to track differently. We have reports that we run then they submit to headquarters and they handle the payments. I know that it is a hefty check that we send in every month. I can say confidently that Ken's and our properties pay a lot into it, and it would be good to see something coming back to the properties going through the work for this."
- c. Jennifer asked Patty to explain capital versus operating budget. Patty explained that it is items over \$5,000 that are equipment and add-ons, and that those items need to go to Council. Then they decide in their view what is most important as leaders of the City. It goes to the CIP/budget committee first for review before it even goes to council. What is determined there is if we have the funding/it is affordable or does it need to be pushed back. Then after presenting the specifics to council it gets submitted to the state. Capital Improvement Requests- Route 66 signage and artwork, Galloop/Paso por Aqui sculpture, the Digital Concierge program. This adds up to around \$187K. Then Jennifer explained that the difference in her budgeting would be allocated toward seasonals at Red Rock Park. With regard to RRP:

Jennifer explained the impact of the minimum wage increase on payroll. There was a discussion about what those costs would look like if the wage is increased to \$15 and Jennifer doesn't know how the fund can continue to sustain increases without additional revenues. This would be up to council. Jennifer explained the process of trying to get RRP certified as a Qualified Production Facility with the state Film Office and the potential for revenues there, but that we are in the middle of the process.

- d. The City of Gallup Tourism and Marketing Department is budgeting to approximately \$1 million in FY22. Jennifer explained the difference between the operating and the reserve, and how the reserve's purpose is emergencies and special projects, not to support ongoing operations.

The budget includes the following highlights:

- i. 214-1015: Hotel audit \$11,000, professional services \$206,000- including Ceremonial contract, Signature events funding, downtown marketing, PR, \$50K for a Route 66 sign grant program, \$21K for brochures distributed in racks across the SW, and \$112,000 for billboards, print ads, grants, FAM tours, media creation, and convention booths. Jennifer explained what the new artwork on the billboards looks like and the rationale behind the messaging.
 - ii. 215-4042: Rex Museum fire alarm, employee salary, then professional services including: the website operations, CRM, contracting for event services (GNAM, Run for the Wall). Travel to four shows and legislative session; \$135,000 for Chamber contract (reducing cost of visitors guide, adding money for marketing businesses), then reviewed the training Jennifer is proposing in the budget. She let committee know she is now a Certified Tourism Industry Specialist through the American Bus Association and Indiana University, and that she is now budgeting for training as a "professional in destination management" through Destinations International. Jennifer reviewed the department's memberships and web fees.
- e. Jennifer explained the impact of COVID on hotel stays for the winter and how we don't know what to predict for our next winter season because over 200 rooms were used and paid lodgers tax during our normal "off" season. She explained that we're in better shape than anticipated but nowhere near our numbers from pre-covid. Jennifer read the occupancy statistics from the last week of January to demonstrate the roller coaster of lodging from night to night and how unpredictable it has been. Jennifer explained the difficulties for properties because they can't forecast their own rates. Anna and Ken talked about the capacity limit impact. Anna discussed the revenues lost turning customers away. She discussed how it really hurt the businesses and may take a long time to recover. One hard year can lead to five years of recovery. Ken discussed how they're trying to keep everyone employed but how difficult it has been with budget increases and staffing issues as related to COVID. He has also had issues with retaining employees with COVID fears. Anna explained that they have had a lot of essential employees and food truckers and more that they've had to turn away and it's been very complicated.
 - f. Recommendation: Jennifer requested approval to propose the budget as presented to the City Budget committee. **Approval of the FY22 proposed budget : Motion by Cindy to Approve the FY22 proposed budget, Second Anna. Cindy: yes, Anna, Ken, Jeremy, Jason**

6. Motion to Adjourn: Cindy. Second Ken.