

MINUTES OF THE COUNCIL OF THE TOWN OF SILVER CITY

JOINT WORK SESSION WITH LODGERS TAX ADVISORY BOARD

Grant County Administration Center, 1400 Hwy 180, Silver City, NM

September 15, 2010 – 6:00 PM

Present: James R. Marshall, Mayor
Cynthia A. Bettison, District 1
Jamie K. Thomson, District 2
Simon Wheaton-Smith, District 3
Michael S. Morones, District 4

Also Present: Alex C. Brown, Town Manager-Finance Director
Ann L. Mackie, Town Clerk

Present from the Lodgers Tax Advisory Board were Sandra Hicks, Nancy Thompson, Lisa Brand, and Mitchell Hellman. Michelle Carrillo was not present.

1. Call to Order, Pledge of Allegiance, and Reading of Mission Statement - Mayor Marshall called the meeting to order at 6:03 PM. Councilor Morones read the Mission Statement.

2. Discussion included, but was not limited to the following: the proposals for Community Promotions (Lodgers Tax Promotions). Mayor Marshall reminded everybody that it was a work session and that no decisions would be made. He said according to the Procurement Code that any comments could not be made to change and/or add to the proposals that had already been submitted. He said the committee and the Council could ask clarifying questions, and they would appreciate pointed responses in order to make sure the Procurement Code was not violated. On behalf of the entire Council he thanked the Lodgers Tax Advisory Board for their work and said they did a good job. He said the work session would give the Council a better opportunity to understand the Board's decisions. Sandra Hicks, Chair of the Lodgers Tax Advisory Board, said they made the recommendations after considerable thought and discussion, and that they had heard the Council's concerns and comments regarding the use of lodgers tax, and attempted to address them. She said they were not able to deal with all the issues raised due to the short time frame. She said they evaluated the proposals on how well they promoted Silver City, as well as the event or organization. She stated they had less money than before so even applicants that were considered very worthy had to be given a lesser amount. She said that in general they would like to see everyone's application and advertising budget that utilized the lodgers tax money, to include publications and other things that were outside the local area, and ongoing activities and events, in order to bring tourists to Silver City and the area on a regular basis.

Mayor Marshall said that in his review of the proposals it gave him a better understanding about having a marketing plan for the entire fund. He commented on how it was difficult to tell on some proposals if their activities and events actually caused the tourism or not, and there was concern whether some of the applications actually fit the fund. The Council and Board made their opening statements that included: how there were misunderstandings about the use of lodgers tax funds and how it was not free money; how a marketing plan could try to establish where the tourist business was coming from and track the number of visitors; how to know if a visitor was satisfied with their experience; tracking how far away people came and from where, where they chose to stay - in a hotel, with friends, or out of town, and how many dollars did they spend or think they would spend; how lodgers tax funds were not an entitlement; how the statute was short, clear, and concise; how if they did not advertise outside the local area then they should be off the list; how a marketing plan would take time to build and money should be held back in order to build a good foundation for it; how some organizations did an amazing job on the proposals and others did not; how applicants must understand that they were contractors to the Town, and that it was not free money to subsidize an event or operation of an organization; how the funds were for marketing the Town and attracting visitors to stay in hotels and lodging in Silver City; how there was empirical evidence for the benefits of lodgers tax, but without hard numbers the empirical evidence could also show what was lost; how the marketing plan should be done locally and not from an outside consultant; how the folks that do events could anticipate the trends, do new projects, and target marketing; establishing social networks and clearinghouse advantages; and how the marketing plan needed to be a good quality plan and working document.

The Council and Board discussed each of the 19 proposals that were submitted. Members of the audience that had submitted proposals for lodgers tax awards answered questions when asked by the Council and Board. Mark Richard spoke on behalf of the Rotary Club, and Lola Polley and Daniel Cook spoke on behalf of the Chamber of Commerce. There was discussion on the following: whether each organization had answered all of the questions in the Request for Proposal and whether they had submitted the required documents, i.e. budgets; the type of event and whether it would bring in tourists overnight; where the organization advertised their events and whether it was outside 50 miles; how some visitors came to town when there was no event, possibly because of cooler temperatures, etc.; the important of giving the visitor a good experience so they would go back and tell others, i.e. social networking; how Silver City Lodgers Tax should be given credit in the advertising; questions about certain expenses on proposals; how some of the applications should have been more expansive and should have explained what services they provided and what the advertising and expenses were for; requiring the budgets from the previous year on how lodgers tax funds were spent, and budgets for the upcoming year if lodgers tax funds were awarded; how some applicants should not be awarded funds because they did not comply with the requirements or were non-responsive; how eBay could be used to promote Silver City as a destination; how the Farmers Market may not be a primary destination, but it was a secondary experience; a suggestion that the Council should send individual letters to tell organizations why their proposals were rejected; how the Council expected performance and should not reward bad behavior or non-compliance; how to determine when a proposal was non-responsive and should be rejected or when they should be allowed some flexibility; how some organizations had incurred expenses before receiving an award; how some organizations measured statistics well and others did not; and how some organizations seem to draw from the local community.

Councilor Wheaton-Smith made a motion for a recess at 7:10 PM. Councilor Bettison seconded the motion. All were in favor, motion passed. Mayor Marshall called the joint work session back to order at 7:25 PM and the discussions resumed on the following: how the lodgers tax funds could be used as seed money to start up new organizations or events that had a good idea; proposals to use lodgers tax funds for fundraisers and whether the fundraiser would become self-sustainable; how marketing in Tucson, Arizona, brought in tourists; whether a community calendar was a duplication of efforts and costs; how organizations should actually count the people that attended their event rather than calling the hotels to check their occupancy level; how employees of the Town should not apply for lodgers tax promotions if the organization to benefit from it was a Town organization; how an event could have yearlong benefits so every dollar could have far reaching outcomes; how tourism supports the local economy and not just the organization; how the Visitors Center should be open on weekends and holidays; how advertising dollars were spent on billboards that were still in disrepair; how lodgers tax dollars were reimbursed to the Town after the State reimbursed an organization for tourism expenses; how relocation packages were unavailable; how daylight savings time effected tourists; how part of the available funds for lodgers tax promotions should be set aside for a foundation for the future marketing plan; how groups should work together as tourism promotion partnerships; how the Town of Silver City, as a government, did amazing things for the town in its normal role, but it did not market itself very well; how the Town Manager, Alex C. Brown, was respected all over the state; how the Town's lodgers tax remained even, but slightly better than around the state; how organization memberships should be completely separate from the tourism angle; the distribution of tourist literature throughout town; and how there should be a committee to help develop the marketing plan that included all of the people that were affected by tourism, such as lodgers, retailers, and restaurants.

3. ADJOURNMENT – Councilor Wheaton-Smith made a motion to adjourn at 9:00 PM. Councilor Bettison seconded the motion. All were in favor, motion passed.

/s/

James R. Marshall, Mayor

Attest:

/s/

Ann L. Mackie, Town Clerk