City of Albuquerque

Lodgers’ Tax Advisory Board

Chairman: Todd Walters
Co-Chairman: Harry Tipton

Board Members:
Jesse Herron
Debi Owen
Damen Kompanowski
Brenda Moore

Minutes from February 22, 2018 Meeting

Todd Walters, Chairman, Chaired the meeting. Chairman Walters called the meeting of the Lodgers’ Tax Advisory Board session to order at 4:03 p.m. held February 22, 2018 at the Albuquerque Convention Center, Kiva Board Room.

In attendance:

Board Members
Harry Tipton
Damen Kompanowski
Harry Tipton
Debi Owen
Jesse Herron

City of Albuquerque
Dora Dominguez, Staff
Cilia E. Aglialoro, City Treasurer
Marsha Sanchez, City Treasurer

Contractors
Jose Garcia, SMG
Tania Armenta, Visit ABQ
Valerie Lind, Visit ABQ
Yuri Morales, AHCC
Connie Lee, AHCC
John Garcia, AHCC

Guest:
Tushar Patel, TNJ Management LLC, New Board Member
Cathryn McGill, New Mexico Black History Organizing Committee, New Board Member
Synthia R. Jaramillo, City ED Director
Charlie Gray, Greater Innkeepers Association

Welcome and Introductions – Included introduction of two new board members. Tushar Patel and Cathryn McGill appointment to the Lodgers’ Tax Advisory Board were confirmed at the Wednesday, February 21, 2018 City Council Meeting. Both Cathryn and Tushar provided background introduction and an overview of interest in serving on the Board. The March 22, 2018 Board Meeting will serve as the first official board meeting.

- Cathryn McMcGill fills a new board term August 2018 – August 2021. The At-Large Seat is the seat left unfilled with the resignation of Ted Shodry in 2016.
- Tushar Patel fills the Lodgers Industry Representative seat vacated with Todd Walters, Chairman, after having served two consecutive termed out August 2017.
  - Todd E. Walters was confirmed by City Council in 2012 for appointment to the Lodgers’ Tax Advisory Board where he’s served as both member and two-terms as Chair of the Board.

I. Approval of Agenda: Todd Walters, Board Chair chaired the meeting. The addition to the agenda motion by Todd Walters was to add board action – Appointment of new Board Chair as an action item to be added before new business agenda item. Motion to approve revisions and approve Agenda.
MOTION by: Harry Tipton, Board Member
SECOND: Jesse Herron, Board Member
II. Approval of Minutes: Approval of minutes January 25, 2018. There were no additions/deletions to the Minutes

MOTION by: Jesse Herron, Board Member
SECOND: Harry Tipton, Board Member
MOTION PASSED: Unanimously

III. Chairman Reports

- City Treasury Report(s) & Presentation –
  - City Treasury Report(s) - Cilia E. Aglialoro, City Treasurer, provided the Lodgers’ Tax
  - Hospitality Tax Revenue Summary Report – Cilia E. Aglialoro, City Treasurer
  - Lodgers’ Tax Delinquent Summary Report FY’18 – Cilia E. Aglialoro, City Treasurer
    - Comparing FY’17 and current FY’18 revenues. Lodgers and Hospitality Revenues track month to month for December by 7.89% growth. Year to date, the revenue increase for FY’18 (July – December) was $6,573,004.63, compared to FY’17 (July-December), which was $6,092,057.29. For FY’17, the year-end amount (July – June) was $12,177,552.21. The current revenues reported for FY’18 for Hospitality Tax Revenue (July–December) was $1,314,602.11, compared to FY’17 (July – December) revenues of $1,218,410.21. Both fund amounts report 7.89% increase over prior year comparison. FY’18 items highlighted included an increase in the amount of delinquent accounts from five to seven. For FY’18, the amount of delinquent revenues reported for Lodgers Tax through December 2017 increased from $80,128.76 to $195,148.84.
    - AirBnb reported lodgers’ and hospitality tax collected YTD is $13,390.94.
  - Lodgers’ Delinquent Summary Report FY’18 - Cilia E. Aglialoro, City Treasurer
    - The total amount of revenue collected from delinquent accounts July thru December was $13,390.94 a slight increase from same time last year. A detail summary of the delinquent account as the meeting presentation topic.
  - Board Q & A – QUESTION: Todd Walters, Chair, asked if the AirBnb lodgers’ and hospitality tax collections should be tracked separately and if these new revenues present an added advantage to VisitABQ to reach contract target of increasing Lodgers’ Tax revenues for the City?
    - ANSWER: Tania Armenta, VisitABQ addressed the questions as a good point. How the City decides to record the revenue, which is an increase in lodgers’ and hospitality tax as it relates to the contract target to increase lodgers’ tax has not been decide. Again, good point. In the meantime – City Treasury will continue to track those revenues under reporting line. Additionally, VisitABQ will provide reporting that shows the difference in lodger tax collected w/AirBnb and would AirBnb totals separately.
    - QUESTION: Asked by Todd on what the status is with regards to other collection agreements with other short-term rental platforms including Home Away and VRBO?
      - ANSWER: Celia Aglialoro addressed the question and stated letters will be sent out to the other providers of the rental services with the Board to be provided updates as the outreach efforts and collection discussions continue.

Presentations – Lodger’s Delinquent Summary Report ToInclude Accounts Payable Aging Reports – Celia Aglialoro, Treasurer, City Of Albuquerque
A listing of the seven hotels with current past due/delinquent lodgers’ and hospitality tax accounts with the city was distributed to the Lodgers’ Tax Advisory Board in advance of the February 21, 2018 meeting. The list of seven past due accounts totaled $165,742.78. The report also summarized the monthly payment amount and terms of each past due account. Once account remains in owners’ bankruptcy status since 2012. The amount owed in collected lodgers’ and hospitality tax on this account is $78,270.61. The City is working with attorneys and placed a property lien on the business on February 12, 2018.

The Board requested a more detailed summary of the past due amounts reported as funds collect as part of the monthly Treasurer’s Report to the Lodgers’ Tax Advisory Board. The opportunity to learn the terms of payments provided an opportunity to forecast the collection for past due accounts. Important to note that while payment plans options remain in place and current, lodgers must remain in compliance with current collections and remittance of lodgers’ and hospitality tax revenues collected.

- QUESTION: Damen Kompanowski, Board Member, asked what amount was paid prior to the City placing a lien on a property for non-payment was made.
  - ANSWER: Celia Aglialoro addressed the question she’d have to go back and research further but that there was an initial payment made by the business and the possibility of full payment remains.

Brief Board discussion as a final discussion regarding a possible opportunity to reach out to the small Property owners, which make up the entire list of past due accounts, and provide training on collection of revenues and remittance requirements.

**Contractor Reports**

**Visit Albuquerque** - Tania Armenta, Visit ABQ,

- Report and overview of Board Report and handouts were provided. Report highlights:
  - Hotel occupancy up 4.4% FYTD. Booked direct spend was up 1% FYTD compared to down 8% as reported in January. Booked room nights reported up 13%. Advertising impressions continue to increase from last month reported up by 141% through December and 126% thru January year to date. Twitter growth continues to increase with convention bookings at their highest rate since 2015. Number of booked tours is up .9% to 142 reported thru January FY’18 (FY’17: 137).
  - New website launched [https://www.visitalbuquerque.org](https://www.visitalbuquerque.org) with website use down 12% compared to last year.
  - Sporting event bookings as of January reporting at 57 total.
  - Earned media coverage January 2018 YTD remains strong (Barcelona Rating 89%)
  - Alpha Kappa Alpha Sorority Convention
  - Religious Tradeshows Management Conference
  - Upcoming event USTAF Indoor Track Event
  - Tradeshows/Industry Meetings attended in include: Seattle and Portland; National Coalition of Black Meeting Planners; Destination Marketing Accreditations Program and National Tourism Association Meeting in San Antonio, TX – December 14-18
  - Upcoming Tradeshows: Jan 7-10 PCMA; Jan 29- Feb 2 Religious Conference Management Association; February 25-27 Mid America Education Conference

Highlighted Success Attributed to:
- Securing the National Speech and Debate Event in 2020
- Stronger partnerships with Albuquerque Convention Center
- Strong team at VisitABQ
QUESTION: Todd Walters, Chair, noted the increase in booked sporting events and asked what the main contributing factor to the positive increase?
  ▪ ANSWER: Tania Armenta responded the increase growth is positive and continues to be tracked. The increase in sporting venues with the addition to the new city sports complex supports the increase, along with the sports booking team ad VisitABQ and the team at SMG that now manage the facility for the City.
  ▪ QUESTION: Damen Kompanowski, Board Member, commented on the increase in March activity for sports events.
    ▪ Valerie Lind, VisitABQ provided the response. The increased activity includes USA Boxing, NMAA events and indoor track and field events.

Brief discussion regarding the plan for the indoor track facility at the convention center and what the plans after 2024 for the track might include was discussed.

- No Additional questions from the Board

V.

- The Albuquerque Convention Center hosted 28 events within the month of January, with a total occupied space of 5,908,360 sq. ft.
- Occupancy was at 38% for the month of January year to date, with January 2017 at 44%
- Of the 28 events occurring in the month of January, eight (8) were repeat customers.
- SMG/ACC also booked a total of 26 future events during the month of January. Year to date 2017 SMG booked future events at 30.

Leads:
No leads from AHCC reported for the month
No lost business reported
- For the month of February 2018 SMG anticipates a total of 26 non-city wide events and no city-wide conventions reported.
- SMG is now contracted to operate the City’s Sports Complex facility. The bookings for the facility already include collegiate events in January and February.

Business Turned Away:
- Listing included 11 events.

No Additional questions from the Board

VI.

Albuquerque Hispano Chamber of Commerce Monthly Report – January – John Garcia and Yuri Morales, AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for December report included:
- NABA conference to take place this month was a report highlight. This a 2,400 room night event. As of today, there were already 2,000 registered attendees.
- New marketing and promotion agreement for AHCC secured in VIDA TURISMO Magazine distributed throughout Mexico and its Mexican Consulate Offices.
- LULAC in 2021 was secured by the AHCC Tourism Team just weeks ago.
- Gathering of Nations PowWow set for April is moving forward with new sponsorship and promotion opportunities added that include a new “Friends of PowWow” sponsorship opportunity for sponsorships of $1,000 to be included on a local shopping discount/promotion piece. This years’ PowWow and in the next three years (secured) the Isotope’s will include a discounted game admission with your PowWow ticket stub to the afternoon game the day after PowWow. The stay
another night and catch a ballgame promotions was secured by AHCC and confirmed out for the next three years. Also new to this year’s PowWow will be the addition of a Horse Parade as part of the opening day PowWow Festivities. New sponsors for GON include UBER, who will continue to be provided a dedicated drop-off dedicated area for which they’ve agreed to also provide an event sponsorship.

- Dual Language/La Cosecha Conference continues to look positive as an annual event
- Convention Center bookings/attendance events for January; Year to date actuals reported for January 2018 was 82,304 with an YTD Goal of 60,342. Total YTD center attendance reported was 20,780; non-center – 60,524 and sports attendance at 1,000.

**Media & Marketing:** New advertising and promotion piece for Mexican tourism magazine announced with copies of the publication distributed to the Board. The publication circulation is seven Mexican states.

**Current Leads:**

- Navajo Nation partnerships remain strong and providing leads to future event bookings.
- Student and Mayoral groups scheduled to visit as a result of a new forged partnership with the University Of Puebla, Mexico.
- Society for Hispanic Professional Engineers 2020 National Conference (estimated attendees 7,000)
- Dual Language Conference/La Cosecha 2021
  - Marketing Activities Highlighted - Google Web www.siabq.org Total likes continues to increase.
  - AHCC continues to work with Gathering of Nations planning meetings partnered with the contractors tasked with Native American tourism responsibilities to review event best practices and to identify new opportunities for supporting and enhancing the event as it continues to grow.
    - AHCC sponsorship commitment of GON will continue
    - AHCC announced the Friends of Gathering of Nations sponsorship initiative at $100 per friend with a goal to raise $50,000 as a first year effort.

No Questions from the Board

VII. **American Indian Chamber of Commerce 2nd & 3rd Quarter Report(s)** – Due to scheduling conflicts AICC requested its report be moved to March 22, 2018 meeting.

VIII. **FY’18 Quarterly Reporting Process** – Dora Dominguez, City Staff reported a draft of the first FY’18 to be presented using the same format used for the FY’17 Annual Report Summary submitted December 2017.

IX. **Open Board Seats Update**- In addition to the two new board members in attendance (confirmed by City Council on February 21, 2018) a third at-large open board seat will be filled with City Council final approval on March 5, 2018 and in time for introduction to the Board at its March 22, 2018 Board meeting. The next incoming board member slated for Council approval is Sean Jariwala, Ambica Hospitality, LLC. Mr. Jariwala will fill an At-Large vacancy on the Board with a first term August 1, 2018 – August 1, 2021.

X. **New Business & Announcements:**
Board Action item to accept nomination of Damen Kompanowski, Board Member as the new Lodgers’ Tax Advisory Board Chair.

**MOTION** by Jesse Herron, Board Member, to approve the nomination
**SECOND** by Harry Tipton, Board Member
**MOTION PASSED**: Unanimously

Motion to Adjourn:

**MOTION BY**: Debi Owen, Board Member
**SECOND**: Damon Kompanowski, Board Member
**MOTION PASSED**: Unanimously
Meeting adjourned 5:22 pm.

Minutes submitted by: **Dora Dominguez**
Dora Dominguez, City Staff

Minutes approved by: 
Damen Kompanowski, Chair