

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Damen Kompanowski

Board Members:

Jesse Herron
Debi Owen
Cathryn McGill
Tushar Patel
Sean Jariwala
Fred Mondragon

Minutes from August 23, 2018 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, August 23, 2018 at 4 p.m., at the Albuquerque Convention Center, Kiva Board Room board chair, Damen Kompanowski, Chairman called the meeting to order at 4:10 p.m.

Our thanks to the SMG staff for accommodating the group both with meeting space and tours of the facility prior to the meeting.

In attendance:

Board Members

Damen Kompanowski
Jesse Herron
Fred Mondragon
Sean Jariwala
Tushar Patel
Cathryn McGill
Debi Owen (*Conference Call*)

City of Albuquerque

Dora Dominguez, Staff
Synthia Jaramillo, Director

Contractors

Jose Garcia, SMG
Tania Armenta, Visit ABQ
Valerie Lind, AHCC
Yuri Morales, AHCC
Connie Lee, AHCC
Celia Marquez, AHCC
Jim Garcia, AHCC

Guest:

Charlie Gray, Greater Albuquerque Innkeepers Association (GAIA)

- I. WELCOME AND INTRODUCTIONS** – Damen Kompanowski, Chair
- II. Approval of Agenda:** Damen Kompanowski,
MOTION by: Sean Jariwala, Board Member
SECOND: Tushar Patel, Board Member
MOTION PASSED: Unanimously
- III. Call To Approve Minutes – Additions/Deletions to Agenda** – Chair
MOTION by: Fred Mondragon, Board Member
SECOND: Jesse Herron, Board Member
MOTION PASSED: Unanimously
- IV. Chairman Reports**
 - City Treasury Report(s) & Presentation – Cilia Agliodoro, City Treasurer, provided the Lodgers' Tax Advisory Board Reports. Report included. FY'18 and current FY'19 revenues - Lodgers and Hospitality Revenues.

- Comparing FY'18 and current FY'19 revenues. Lodgers and Hospitality Revenues track month to month thru June 2018 is up by 7.28% growth. Year to date, the revenue increase for FY'19 Lodgers' Tax (July 2017 – June 2018) was \$13,063.37 compared to FY'17 (July 2016-June 2017), which was \$12,177,552.21. The current revenues reported for FY'18 for Hospitality Tax Revenue (July–June) was \$2,612,788.80, compared to FY'17 (July 2016– June 2017) revenues of \$2,435,509.33. Both fund amounts report 7.28% increase over prior year with AirBnB funds included a decrease from May 2018 to June 2018 for a total amount for June 2018 of \$6,579.98 (Total November 2017 thru June 2018 is \$48,225.19.
- Lodgers' Tax Delinquent Summary Report FY'19 – Cilia Aglialoro, City Treasurer
 - Highlighted items: The collections amounts for revenue months July 2017 thru June 2018 for 165 lodging entities includes three accounts listed in a delinquent account status for a total amount of lodgers' tax owed of \$110,856.13 down from its highest amount reported in September 2017 of \$195,148.84.
 - City currently audits five hotels/lodgers per year.
- AirBnB budgeted revenue amount for FY'19 is \$479,000.00.
 - Board discussion with regard to the recommendation to utilize these funds as an incentive fund similar to incentive funds provided in the past.
 - Question with regards to the ROI of the prior Incentive Fund was discussed.
 - VisitABQ was able to provide the ROI of the 2016, 2017 and 2018 Incentive Fund program.

V. Contractor Reports –

SMG Monthly Report – Monthly Report June 2018 – Jose Garcia, SMG, provided the board report.

- The ACC hosted 52 total events within the month of June for a total attendance of 31,663 at the Convention Center alone. ACC and Civic Plaza held 42 events. ARSC held 10 events. Occupancy for ARSC held 10 events in June. June 2017 ACC and Civic Plaza hosted 36 events.
- Occupancy was at 23% for the month of June, with 1,987,756 sq. ft. of event space sold.
- Occupancy for June, 2017 was at 73%.
(In the month of June 2017 Albuquerque hosted four city-wide conventions; one City-wide June 2018
- FY'17 average monthly occupancy: 37%
- FY'18 average monthly occupancy: 35%
- For July 2018 SMC anticipates a total of 34 total events
 - Convention Center and Civic Plaza – 27 events
 - ARSC – seven events
 - Of the 34 total events – 32 are non-city wide events
 - Two are city-wide events

Repeat Business

- Of the 52 Events that occurred in the month of June, twelve (12) were repeat customers.

Future Business

- SMG/ACC also booked a total of twenty-six (26) future events during the month of June, 2018. In June, 2017 booked a total 15 future events.

Business Turned Away

- Thirteen (13)

Question from the Board

- Request for update on the final five-year contract awarded to SMG to management Convention Center, Civic Plaza and ARSC.
- Questions regarding revenues generated monthly were requested as a new report from SMG.
- General discussion about business turned away and how the term is defined industry-wide.
- General discussion regarding strategies for attracting more events to the Convention Center from city-wide conventions.

VI. Visit Albuquerque - Monthly Report July – Tania Armenta, Visit ABQ, provided Board Report.

- Highlight Announcement – August 28, 2018 Visit ABQ Annual Meeting
- Report and overview of Board Report and handouts provided included following highlights:
- Hotel occupancy up 1.8% calendar-year-to-dates (Fiscal Year '19 - July 1 – June 30). Occupancy tracking up and ahead of the industry comp-sets. Booked direct spend was down in July... Booked room nights down compared to July 2018... Advertising impressions down from prior year July 2017. Twitter growth continues to increase. Number of booked tours up 17% for July up from prior month and year to date. Booked events are down July 2018 by 48% compared to July 2017. Last year July was 27 this year July the number was down to 14. Meeting planner tours included two site visits in July.
- Website users is steadily increasing and closing the gap and up 15% since last month.
- Sporting event bookings for July reported as eight with 1,735 room nights and 2,554 attendees and a direct spend of \$847k.
- Earned media coverage 2018 YTD remains strong (Barcelona Rating 100%)
- Visitor Guide fulfillments is making an improvement and up 100%
- ACE Training numbers up 22%.

Travel

- Upcoming trade missions and team travel listed in Page 16 of full Lodgers' Tax Report Submitted

Questions from the Board

VII. Albuquerque Hispano Chamber of Commerce Monthly Report – July 2018 Bookings – Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for July report included:

- *Monthly Report*
 - No center bookings for July reported
 - Non Center attendance reported 1,510
 - Center attendance reported 1,350
 - *YTD Center attendance reported as 2,519 and Non Center attendance at 6,101 and no Sports attendance reported*
- Highlighted Events/Media & Marketing:
 - Sonora Roundtable Event on August 22, 2018
 - New direct Flight – Albuquerque to Guadalajara, Mexico – Volaris Airlines
 - OneAlb promotion video in production
 - SiABQ website to be re-designed
 - Native American Appreciation Day
 - TOURISM Magazine promotion

Update on the El Prado exhibit on Civic Plaza – Fred Mondragon, Board Member. The exhibit tracked 350,000 visitors.

NOTE: it is an updated fiscal impact analysis for Gathering of Nations that has been requested of AHCC by the Lodgers' Tax Advisory Board.

- Medical Tourism discussion continues as an ongoing discussion. AHCC working to coordinate meetings to discuss the initiative

Media & Marketing

International Trade Committee

Seven out of nine conference hosted in Albuquerque for May were Native American related.

Attended Unidad Conference

Current Leads

- LULAC 2021

Questions from the Board

VIII. City Update – Dora Dominguez, City Staff

Recognition and presentation of Board Chair Award for years of service presented to Damen Kompanowski. Damen was appointed/confirmed to the Board by City Council on September 19, 2014 and served through August 23, 2018. Damen's board term was through August 1, 2017. Board members are understood to remain on a board or commission until an expired board seat is filled. His service on the Board included serving as chair of the board since January 2018 and board chairman since March 2018.

- Recognition of board service for Debi Owen was also highlighted. Given her attendance by phone the presentation of board plaque will take place at the September 27, 2018 board meeting.

IX. **New Business & Announcements:**

X. **Motion to Adjourn:**

MOTION BY: Jesse Herron, Board Member

SECOND: Fred Mondragon

MOTION PASSED: Unanimously

Meeting adjourned 5:22 pm.

Minutes submitted by: Dora Dominguez
Dora Dominguez, City Staff

Date: 9-27-18

Minutes approved by: [Signature]
Board Chair

Date: 9/27/18