



City of Truth or Consequences

505 Sims Street

Truth or Consequences, New Mexico 87901

Phone: 575-894-6673 x301 Fax: 575-894-7767

LODGERS TAX ADVISORY BOARD SPECIAL/WORKSHOP MEETING AGENDA

City Commission Chambers, 405 W 3rd Street

March 28, 2019 at 5:30 p.m.

Call to Order

Roll Call:

Jake Foerstner, Chair
Moshe Koenick, Vice Chair
Theresa King, Member
Gina Kelly, Member

Lisa Gabaldon, Assistant Clerk/Secretary

- 1. Approval of Agenda**
- 2. Overview of Lodgers Tax Guidelines**
- 3. Comments from the Public**
- 4. Application Review/Allocations – Timeline**
 - a. Application Deadline, April 18, 2019**
 - b. LTAB – Allocations, April 25, 2019**
 - c. City Commission Meeting – Allocation Approval, May 8, 2019**
- 5. Comments from Staff**
- 6. Set time, place & date for the next meeting.**

(Meets quarterly on the last Thursday of the month at 5:30 PM – April 25, 2019 as set in the timeline for allocations)
- 7. Adjourn**

Please see pages 25-27 for list of recommended changes/updates requested by the Lodgers Tax Board and approved by City Commission

City of Truth or Consequences

Lodgers' Tax

Funding Guidelines

Approved by City Commission 3/13/2019

Table of Contents

- Overview of City Lodgers' Tax Ordinance 3
- Eligible Uses 4, 5
- Eligibility5
- Grant Agreement 6, 7
- Payment Reimbursements 8-10
- Payment Reimbursement Requirements 11
- Eligible and Ineligible Costs 12, 13
- Contractor Responsibilities 14
- Forms 15-17
- Quarterly Reports 18
- Amendments 19
- Contacts 20

Overview of Lodgers' Tax

- **Sec. 7-196. Title of article.**

- This article shall be known as and may be cited as "The Lodgers' Tax Ordinance." (Ord. No. 442, § 1, 8-12-96)

- **Sec. 7-197. Purpose of article.**

- The purpose of this article is to impose a tax which will be borne by persons using commercial lodging accommodations which tax will provide revenues for the purpose of advertising, publicizing and promoting tourist-related attractions, facilities and events, and acquiring, establishing and operating tourist-related facilities, attractions or transportation systems, as authorized in section 17 of this article.

- **Sec. 7-199. Imposition of tax.**

- There is hereby imposed an occupancy tax of **five percent** of gross taxable rent for lodging within the municipality paid to vendors.

Overview of Lodgers' Tax

Eligible Uses

- **Sec. 7-212. Eligible uses of lodgers' tax proceeds.**
 - (a) The Municipality may use the proceeds from the tax to defray the costs of:
 - (1) collecting and otherwise administering the tax, including the performance of audits required by the Lodgers' Tax Act pursuant to guidelines issued by the Department of Finance and Administration;
 - (2) establishing, operating, purchasing, constructing, otherwise acquiring, reconstructing, extending, improving, equipping, furnishing or acquiring real property or any interest in real property for the site or grounds for tourist-related facilities, attractions or transportation systems of the Municipality, the county in which the Municipality is located or the county;
 - (3) the principal of and interest on any prior redemption premiums due in connection with and any other charges pertaining to revenue bonds authorized by section 3-38-23 or 3-38-24 NMSA 1978;

Overview of Lodgers' Tax

Eligibility

- **(4) advertising, publicizing and promoting tourist-related attractions, facilities and events of the Municipality or county and tourist facilities or attractions within the area;**
- **(5) providing police and fire protection and sanitation service for tourist-related events, facilities and attractions located in the Municipality; or**
- **(6) any combination of the foregoing purposes or transactions stated in this section, but for no other municipal purpose.**

Additionally: (#7 is not part of Sec. 7-212.)

- **(7) Grant recipients are required to be nonprofits.**
 - A current certificate of this status must be submitted with the grant application.
 - Subsequent changes in status must be reported to the Lodgers Tax Advisory Board.

Grant Application

- Applications are examined carefully as there are usually more requests for funds than are available.
- The application process normally starts in March or April by publishing notices that the City is accepting applications.
 - City Website
 - Local Newspapers
- Applications must be completely filled out and signed.
- A certificate or an online screenshot of nonprofit status must be submitted with the grant application for both the Internal Revenue Service (IRS) and the Office of the Secretary of State (SOS).

- Applicant must submit previous year's audit report or internal/informal financial statement with application.
- ***Application must have all of the above to be eligible for consideration.***
- Application(s) for annual funding must be completed and submitted by the deadline. Deadline is final, no other recourse is available. Other additional applications may be considered on a case by case basis, upon request.
- The Lodger's Tax Advisory Board reviews the applications and makes recommendations to the City Commission for allocations.
 - Applicants are invited to this meeting.
- The City Commission reviews the applications and allocates the funds at a regular City Commission meeting.
 - Applicants are invited to this meeting.

Grant Agreement

- Lodgers' Tax contracts between the City and Contractor are for Advertising & Promotion.
- Section 2 of the Contract requires contractors to:
 - “Advertise, publicize and promote the City and its facilities as a tourism attraction. Such publicizing and promoting shall include but not be limited to the advertising of the Fairgrounds, Civic Center, Museums, Convention Center and other City and area resources and attractions.”
- The purpose of the Tax is to bring **OVERNIGHT** visitors to the City.
- No less than seventy-five percent (75%) of advertising budget (print, internet, billboard, TV, & radio) must be spent OUTSIDE of Sierra County.

Grant Agreement

- Promotion and advertising shall be adhered to per the approved application submitted by the Contractor and attached as 'Exhibit A' to the Grant Agreement.
- 'Exhibit A' shall be known as the 'Scope of Work' which represents the approved manner that the allocated funds can be spent.
- The contractor shall designate a representative and an alternate to serve as the point of contact and authorized representative to spend funds.
 - The representative may be called upon to attend Lodgers' Tax meetings or meet with city staff to answer questions regarding their activities and/or submittals.

Payment Reimbursements

- Print media, television ads, billboards, radio ads, and online ads of the Contractor which are paid for from Lodgers' Tax monies shall include the following:
 - Paid in part by "Truth or Consequences Lodgers' Tax."
 - Include the City of Truth or Consequences logo.
 - Please contact the City Clerk's office, torcclerk@torcnm.org for City logo.
 - Exceptions may be made in regards to exclusion of City Logo on small promotional items i.e. small pens or small key rings.



Payment Reimbursements

- Radio ads shall include the following verbiage:
 - Paid in part by Truth or Consequences Lodgers' Tax.
 - The invoice shall include the radio advertisement script.
- Websites – costs related to design and maintenance are eligible costs.
- Facebook and other Social Media – advertisements are allowable expenses.

Payment Reimbursements

- The City determines which expenditures are allowable and are in compliance with the purpose of this contract. (Sec. 4 a)
- If determined to be an eligible purchase, the City will pay the Contractor for reimbursement. (Sec. 4 b)
- Rejected payments can be submitted to the Lodgers Tax Board for consideration and recommendation for submission to the City Commission.

Payment Reimbursement Requirements

- All invoices must be presented to the City Manager's Office for review and approval.
- All funds must be spent and invoices turned into the City Manager's Office **no later than the last business day in May.**
- Invoices submitted after that date **WILL NOT BE PAID** and will be the responsibility of the Contractor.
- For advertisements and/or publications, provide an electronic or printed tear sheet. A **tear sheet** is a page cut or torn from a publication to prove to the client that the advertisement was published.
- Invoices, checks, and form amounts **that do not match, must include an explanation.** I.e. invoice is for \$525 and the allocation is \$500. The organization then pays \$25, an explanation must be included with the invoice.

Eligible Costs

Media placement: cost of insertion of ads in media including print, electronic, web/Internet and outdoor; rental of billboard, home page on the internet, information applied to Kiosks, and other automated forms of advertising.

Printing: cost of printing and distribution of promotional materials including media packets, promotional brochures, posters, etc. Reprints shall meet current criteria. In the case ad sales have been made on any brochures, vacation guides and similar publications, the Department requires reporting of revenue generated in ad sales and cost of printing, the difference is eligible reimbursement.

Registration fees and booth rental: costs for conferences where representation by the Organization is clearly a part of the marketing plan.

Ineligible Costs

Commissions: Advertising agency commissions

Fulfillment costs: Envelopes and supplies

Communications: Telephone expenses

Administration: Salaries, over-run, overhead, entertainment, meals, beverages, supplies, taxes and other categories, not specifically allowed in eligible costs.

Items for sale: Promotional items produced for sale such as Videos/CD's/DVD's, brochures, t-shirts, posters, calendars, etc.

Equipment: Any purchase of equipment and/or furnishings.

Eligible Costs

Video/CD-ROM/DVD's: Production of a community, partnership, or statewide promotional video/CD-ROM/DVD that is part of the organization's marketing effort for use in various broadcast media. **(The video/CD-ROM cannot be offered for sale.)**

Mailing lists: Cost for purchase of targeted marketing mailing lists.

Sales Missions and Trade Show participation: Costs for registration and booth space; Department sponsored; through the Department's Domestic and International tour trade programs when space is available and the Department opens participation.

Production costs: Costs of producing an advertisement, brochure, internet data and graphics, website development (including hosting), typesetting, photography, rendered art, purchase of trade show booth.

Fulfillment costs: Shipping as it applies to fulfilling requests for visitor information.

Public Relations: Public relation services related to tourism promotion.

Promotional Items: **T-shirts**, Key rings, pins, calendars, litter bags, posters, and similar items not to exceed 20% of the total amount funded.

Contractor Responsibilities

- It is the responsibility of the Contractor:
 - to keep a running total of their unused and available Lodgers' Tax award.
 - to assign a signatory authority and responsible financial representative.
 - to sign all reimbursement forms or requests for payment.
 - Requests must be submitted in writing using the City's form.
 - to notify the City their "remit to" address where they want the check sent.

Reimbursement Request Form

LODGERS' TAX REIMBURSEMENT REQUEST

A. Grantee: _____

Remit to: City of Truth or Consequences

B. Contact: _____

Attn: _____

Address: _____

505 Sims Street

C. Reimbursement Request No. _____ FY: _____

Truth or Consequences, NM 87901

CATEGORY	Budget	Current Expenditures Requested for Reimbursement from Grant Funds	Cumulative Expenditures Total Current Request + Previous Grant Fund Expenditures	Remaining Project Balance
	Grant Funds	Grant Funds	Grant Funds	Grant Funds
Print				
Publish				
Advertise				
TV				
Radio				
Website				
Other Costs (Specify)				
TOTALS				

Under penalty of law, I certify that all the above expenditures are true and correct and are for appropriate purposes in accordance with the terms and conditions of the pertinent Grant and that payment has not been received.

Signature of Authorized Official	Typed or Printed Name	Date
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**LODGERS' TAX
REIMBURSEMENT REQUEST**

A
 . Grantee: Pie in the Sky Enterprises
 B. Contact: Jane Doe / 894-1234
 Address: 56 Skyline RD, T-or-C, NM 87901
 Reimbursement Request
 C. No. 1 FY: 18/1
9
 Remit to: City of Truth or Consequences
 Attn: Tammy Gardner
505 Sims Street
Truth or Consequences, NM
87901

CATEGORY	Budget	Current Expenditures Requested for Reimbursement from	Cumulative Expenditures Total Current Request +	Remaining Project Balance
	Grant Funds	Grant Funds	Previous Grant Fund Expenditures Grant Funds	Grant Funds
Print	\$1,000.00			\$1,000.00
Publish	\$500.00			\$500.00
Advertise	\$1,500.00			\$1,500.00
TV	\$500.00			\$500.00
Radio	\$500.00			\$500.00
Website	\$1,000.00			\$1,000.00
Other Costs (Specify)				\$0.00
(Use these add'l 3 spaces to list special events.)				\$0.00
				\$0.00
TOTALS	\$5,000.00	\$0.00	\$0.00	\$5,000.00

Under penalty of law, I certify that all the above expenditures are true and correct and are for appropriate purposes in accordance with the terms and conditions of the pertinent Grant and that payment has not been received.

Signature of Authorized Official	Typed or Printed Name Jane Doe	Date 04/01/18
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Quarterly Work/Spending Report

LODGERS' TAX QUARTERLY WORK/SPENDING REPORT

NAME OF GRANTEE: _____

THREE MONTH PERIOD OF REPORT: _____ TO _____
(mm/dd/yy) (mm/dd/yy)

PLEASE PROVIDE A DETAILED STATUS OF ACTIVITY FOR REPORTING PERIOD.
(If no work has been done, explain why work has not begun.)

ITEMS AND AMOUNTS FOR WHICH REIMBURSEMENT FUNDS WERE REQUESTED
DURING PERIOD:

<u>ITEMS(S)</u>	<u>AMOUNT</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
	\$ _____
NM GRT	\$ _____ (if applicable)
TOTAL	\$ 0.00

ANTICIPATED COMPLETION DATES OF TASKS NOTED ABOVE:

<u>TASK</u>	<u>ANTICIPATED COMPLETION DATE</u>
_____	_____
_____	_____
_____	_____

SIGNATURE

CONTACT PHONE NUMBER

DATE

Rev. 3/2015

Quarterly Work/Spending Report

- Reports are due by the 15th of the month following the quarter. First quarter (July, August, September) ends September 30th. Second quarter (October, November, December) ends December 31st. Third quarter (January, February, March) ends March 31st. Fourth quarter (April, May, June) ends June 30th.
- **Must submit a report even if no work has been done with an explanation of why work has not begun.**
- Reports are used to gauge activity and ensure grant compliance with agreement.
- **Failure to report can affect future grant funding requests, including reports with no activity.**
- **The Contractor shall be subject to losing 50% of a quarterly draw if the invoice is not submitted by the due date.**

Amendments

CAN

- Budget Categories*
 - Funds may be moved from one category to another category.
- Scope of Work*

*** Must have prior approval from the Lodgers' Tax Advisory Board and/or City Manager's Office.**

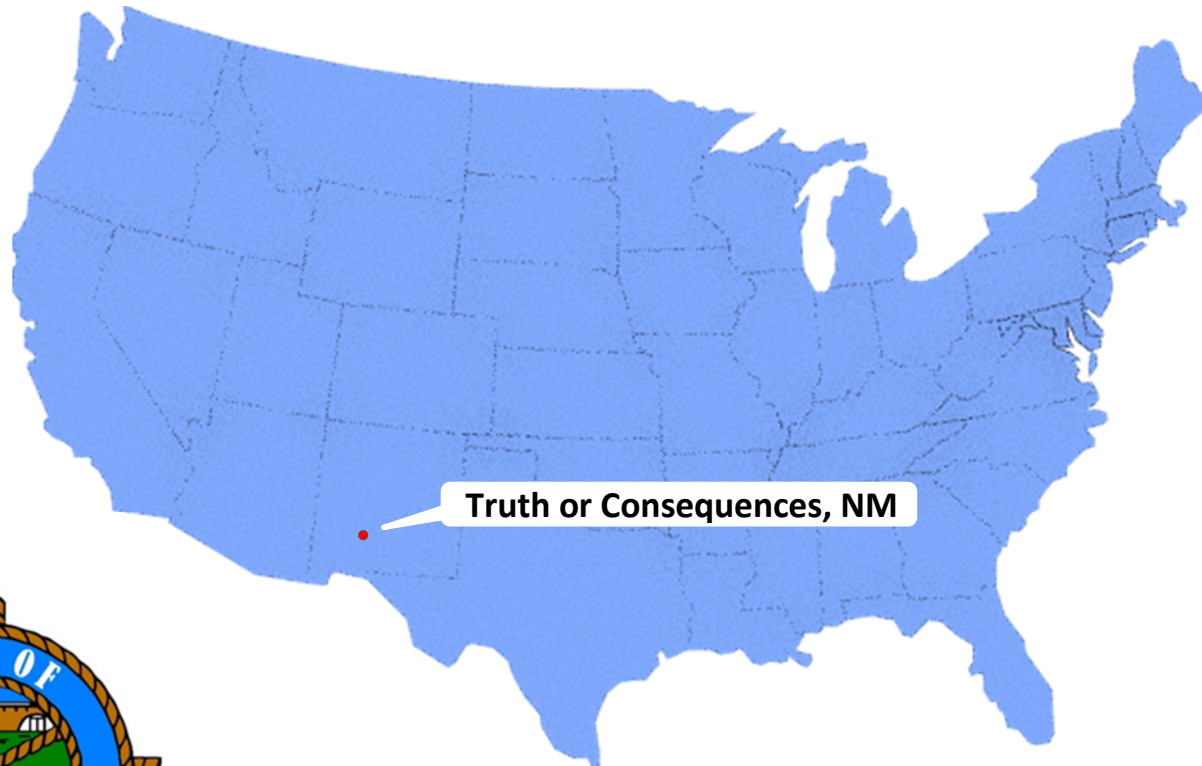
CANNOT

- Request an extension of time.
- ~~Request increase in budget.~~
- Request transfer of funds to another organization.

Contacts

- Tammy Gardner, tgardner@torcnm.org, 894-6673 Ext. 320
 - Review payment requests for compliance with agreements and forward eligible requests to Finance Office.
 - [Submit copies of quarterly reports to City Hall.](#)
 - [\(any other duties requested by the LT board\)](#)
- Renee Cantin, rcantin@torcnm.org, 894-6673 Ext. 301
- Lisa Gabaldon, Secretary lgabaldon@torcnm.org 894-6673 Ext. 301
 - Prepare meeting Agendas & Minutes
 - Forward quarterly and grant balance report to Lodgers Tax Advisory Board.
 - Place on the LTAB calendar request for changes to grant agreement and/or use of funds.

Questions?



Lodgers Tax Board Fund Recommendations:

LTAB Approved August 2, 2018 and Approved by Commission on August 22, 2018

- Removed stipulation in the “cannot” section that states the organization cannot request an increase in funds

Lodgers Tax Board Fund Recommendations

01/31/2019 to be sent for Commission approval on 02/27/2019:

ADDED GRANT APPLICATION INFORMATION FROM SUBRECIPIENT PAGES 4 & 5

GRANT APPLICATION (pages 6 & 7):

- **ADDED GRANT APPLICATION INFORMATION FROM SUBRECIPIENT GRANTS**
- Application(s) for annual funding must be completed and submitted by the deadline. Deadline is final, no other recourse is available. Other additional applications may be considered on a case by case basis, upon request.
- The Lodger's Tax Advisory Board reviews the applications and makes recommendations to the City Commission for allocations.

- Applicants are invited to this meeting.
- THE LODGER'S TAX ADVISORY BOARD REVIEWS THE APPLICATIONS AND MAKES RECOMMENDATIONS TO THE CITY COMMISSION FOR ALLOCATIONS.
 - APPLICANTS ARE INVITED TO THIS MEETING

GRANT AGREEMENT (page 8):

- THE PURPOSE OF THE TAX IS TO BRING **OVERNIGHT** VISITORS TO THE CITY

PAYMENT REIMBURSEMENT REQUIREMENTS (PAGE 13):

- All funds must be spent and invoices turned into the City Manager's Office **no later than the last business day in May.**
- Invoices submitted after that date **WILL NOT BE PAID** and will be the responsibility of the Contractor.

QUARTERLY WORK / SPENDING REPORT (page 20):

- FAILURE TO REPORT, CAN AFFECT FUTURE GRANT FUNDING REQUESTS, **INCLUDING REPORTS WITH NO ACTIVITY.**

- THE CONTRACTOR SHALL BE SUBJECT TO LOSING 50% OF A QUARTERLY DRAW IF THE INVOICE IS NOT SUBMITTED BY THE DUE DATE.

CONTACTS (page 22):

- ~~Kristin Saavedra, ksaavedra@torcnm.org~~
- Tammy Gardner, tgardner@torcnm.org, 894-6673 Ext. 320
- Lisa Gabaldon, Secretary lgabaldon@torcnm.org 894-6673 Ext. 301