

STATE OF NEW MEXICO)
CITY OF CLOVIS) ss.

The City of Clovis Lodger's Tax Advisory Board met at 5:30 p.m., Tuesday, October 3, 2017 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Don David, Chairman
Girish Pandya
Andrea Weaver
Dhawal Jariwala
Thomas Martin

EX-OFFICIO PRESENT:

Mayor Pro Tem Juan Garza

ALSO PRESENT:

Vicki Reyes, Assistant City Clerk
LeighAnn Melancon, Finance Director
Members of the Public

Mr. David called the meeting to order at 5:35 p.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes

Ms. Weaver made a motion to approve the minutes of July 18, 2017 as presented; Mr. Jariwala seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Review of applications for Lodger's Tax Funds

Historic Railroad Grand Opening \$2,000

Ms. Pellegrino-Spear stated they are asking for funding to assist with the grand opening of the Railroad Park. The park has been a collaboration of Clovis MainStreet, New Mexico Economic Development Department, City of Clovis and local and legislative officials. It is a project that has been 12 years in the making. They hope to have a lot of events and will have photos with Santa at the park during the Christmas Parade. Mr. Martin asked if there was a specific date. Ms. Pellegrino-Spear stated she did not have a date yet. They have to have it completed by the end of November or early December.

Chamber of Commerce

2018 Pre-Promotion Clovis Music Festival \$6,000

Ms. Terns stated this will be June 28-29 for the music festival and June 25-30 for Draggin Main. They are asking for funding to start promoting the event for 2018 which will partner again with Draggin Main. Ms. Weaver asked when the promotional aspect would start because it seems early if the event isn't happening until June. Ms. Terns stated they have already started talking to the production company to get a list of acts and once they have that secured they will start on posters. Mr. David asked what type of venue or acts they were looking at. Ms. Terns stated they were looking at something similar to this

and High School. Mr. David asked if this was just one event throughout the circuit. Mr. Figg stated they have five in the fall and five in the spring.

Kids Go Wild **\$23,400**

Ms. Kim Bates stated Kids Go Wild is at Hilltop Plaza and they are asking for help with advertising. She stated a third of their clients are from Clovis, a third from outside Clovis and a third from out of state. This is an activity fun center where they are allowed to play for 90 minutes. They have an adult section, children section and a toddler section. This would be to target people from out of town. The money is for three out of town billboards for two years which would be done by Clovis Sign. Mr. Pandya asked if this was a family business. Ms. Bates stated it was. Mr. David stated they normally don't fund businesses and may have to get legal council involved. Ms. Weaver stated because this is a private business the lodger's tax board is not responsible for promotion. Ms. Bates asked if it made any difference that they provide their services for free. Ms. Weaver stated that would be more of a tax write off. Mayor Pro Tem Garza stated if they want to have an event at their business then that would be a different situation, but to give her money to advertise her business won't happen.

Original Team Roping **\$10,000**

Ms. Whitney McCright stated this is a repeat event. They will be at the Events Center January 6, January 27, February 24, March 24 and May 5. Their January event was the largest in the association with 795 teams. Overall attendance for the year was up and they had an increase in their out of town attendance.

Ned Houk Motorsports **\$25,000**

Mr. Brad Harris stated they are asking for money to help with the payouts which is an award to the drivers. As for advertising they print flyers, but also do social media advertising. Mr. Pandya stated they were just here in July and were awarded \$10,000. Ms. Weaver stated that money was for advertising and cannot be used for a cash prize. If they had a trophy or saddle that is a promotional item. Mr. Harris stated it has been used for cash prizes for the last 20 years. Mayor Pro Tem Garza stated it was not done that way. Whoever was running the business in previous years was not handling the money the same way. They can use the lodger's tax to pay for the trophy's but they cannot use the money for prizes. Mr. Harris stated since September of last year the lodger's tax has paid the cash payout. He stated in July they put in the bring sprint car race and the payout was \$8,800. He stated they turned in the forms they have always been turning in and wasn't notified this was proper procedure. Mayor Pro Tem Garza stated they have been telling everyone that applies that this is for advertising only. He was told this in a Parks meeting as well. Ms. Melancon stated it may have been paid out but at the July meeting Mr. Vilandry specifically talked about cash payments and that raised questions with the board.

Ms. Weaver asked if they received receipts for the \$10,000 they received in July. Ms. Melancon stated she did receive some, but that was when they were notified by the city attorney that this could be used for cash payouts. Mr. David stated Mr. Richards gave his opinion that a cash payout does not promote advertising under state statute. Mr. Harris stated to be able to help the organization continue through winter he is asking for the \$5,000 that was allocated to the organization for the race they put on in July. Mayor Pro Tem Garza stated there is an anti-donation clause that they have so they cannot give cash to

anyone for their benefit. Ms. Weaver stated it was made clear in July that they would have to verify with the city attorney because they were pretty sure they were not allowed to give out cash.

Mr. Jim Phillips stated he was the first person to come ask for money for Ned Houk Motorsports. He stated in 2000 he presented it to the board that this would be used for cash payouts. The advertising was the money they were offering for payout and attracted people to come here. That was the discussion that they had then and Mr. Richards had a problem with it then, but after some research he allowed it.

Mayor Pro Tem Garza stated there have been others running the facility and the problem was they assumed the same thing. Mr. Phillips stated when they turned in the receipts the biggest part of that were the payout sheets. Mayor Pro Tem Garza stated just because the budget shows cash prizes that doesn't mean the lodgers tax they receive can be used for that.

Ms. Weaver asked if there was a way to use money that they are taking in for payout. Mr. Harris stated they do use their money for the payouts. They take \$2,700 from the drivers to pay out \$3,500. It takes everything they have. Ms. Weaver stated the assumption is that the smaller payout will not attract more drivers.

Ms. Weaver stated she is in the hotel industry and cannot remember the last time she has seen a racecar in her parking lot. Mr. Harris stated they leave their cars at the track but they do have drivers stay in the hotels.

Mr. Martin stated this is a valid argument but is not one that is going to change with this board. Mr. Phillips asked if this rule was in print. Mayor Pro Tem Garza stated this is a state statute. Mr. Phillips stated he would like to read the statute because this was the way it had always been done. Ms. Weaver stated they specifically said at the last meeting that they would have to speak with the city attorney. Mr. Martin stated the next step would be to go before the City Commission.

Ms. Melancon stated she can send a request to the Department of Finance to see if the auditors would allow this. She said even if the city commission allows it the Department of Finance could say no. Mr. David asked Ms. Melancon if she could contact them. Mr. Phillips asked if she gets approval from them would they allow it. Ms. Melancon stated possibly, but there may be stricter guidelines that have to be met. Mayor Pro Tem Garza stated there is room for misuse of funds and that is what the state doesn't want.

Ms. Weaver asked how much of the \$25,000 would be used for advertising. Mr. Martin stated they may want to wait to decide once Ms. Melancon receives an answer. Mr. Harris stated the success of the racetrack depends on Lodger's Tax.

Mr. Harris asked if lodger's tax money could be used for the operational side. Ms. Weaver stated that is not marketing or promotion. Ms. Melancon stated she would check with her contacts and let the board know what their response was.

Mayor Pro Tem Garza asked when the next race was. Mr. Harris stated it was scheduled for this Saturday, but there is a chance for rain this week so it will probably be October 21st. Mayor Pro Tem Garza asked when the last race was. Mr. Harris stated that would be the last one. Mayor Pro Tem Garza

stated they will have time to sort this out and see what is allowed. Ms. Weaver stated they still have the \$10,000 on the books from the July meeting.

Organization	Requested	Recommended
Historic Railroad Grand Opening	\$2,000	\$2,000
New Mexico High School Rodeo	\$5,000	\$3,500
Kids Go Wild	\$23,400	\$0
Original Team Roping	\$10,000	\$5,000
Ned Houk Motorsports	\$25,000	\$0
Chamber of Commerce		
2018 Pre-Promotion Clovis Music Festival	\$6,000	\$0
2018 High Plains Jr. Rodeo Finals	\$20,000	\$15,000
Trade Show Tourism Booth	\$3,500	\$3,500
Clovis Promotional Items	\$4,000	\$4,000 (for '18 fiscal year)
IDEA Conference- November 28-30	\$4,000	\$4,000
	\$102,900	\$37,000

Mr. Martin moved for approval; Mr. Pandya seconded, which passed by acclamation.

Agenda Item No. 6 - Adjournment

There being no further business to come before the board the meeting adjourned at 7:45 p.m.