

VILLAGE OF CLOUDCROFT, NEW MEXICO
OTERO COUNTY
REGULAR COUNCIL MEETING AGENDA

May 1, 2024

Call to Order: Chair, Karl Campbell

Pledge of allegiance: Chair, Karl Campbell

PLEDGE OF ALLEGIANCE

“I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.”

SALUTE TO THE FLAG OF NEW MEXICO

“I salute the flag of the State of New Mexico, the Zia symbol of perfect friendship among united cultures.”

Karl Campbell, Committee Chairperson -
Julie Bragg, Committee Co-Chairperson -
Brianna Jonnes, Committee Co-Chairperson -
Angela Daniel, Committee Secretary -
Kelly Bickle -

The following guests were also present: Mayor Craig Turner and Trustee Timothy King.

1. Approval of Agenda: Lodger’s Tax Advisory Board Meeting 5/1/2024 in the Village Council Chambers, 201 Burro Avenue, Cloudcroft, NM 88317.

2. Approval of Minutes: Approval of the Following Meeting Minutes:
Special Meeting 3-8-2024 Done
Special Meeting 3-28-2024 Done
Special Meeting 4-1-2024

Announcements/Open Discussion:

3. Old Business: none

4. New Business **Discussion/Action**
Village of Cloudcroft request for \$20,000 to purchase Christmas Capital decorations

Discussion/Action
Rails To Trails re: \$5,000 vs \$2,000.
- Hal Payne, Rails to Trails treasurer called and asked that their approved amount of \$2,000 of their original request

VILLAGE OF CLOUDCROFT, NEW MEXICO
OTERO COUNTY
REGULAR COUNCIL MEETING AGENDA

for \$5,0000 be revised to reflect their originally requested \$5,000 Lodger's Tax grant.

- Hal said that they need everything that they requested for advertising in TV and Radio advertising in Las Cruces, Artesia, Roswell, Carlsbad and possibly El Paso.

Discussion/action

Definition of and addition of tax-free status for Lodger's Tax if a tax free form is presented by a non-taxable entity or organization such as a governmental, school, or non-profit organization qualifying for tax exempt status.

5. Old Business

Discussion/Action

6. Chair Report

following to the Governing Body at their

On 4-18-2024, Karl Campbell, Advisory Board Chair, presented the

FY 24-25 Budget Conference: (NOTE: The full report to the Governing Body is attached at the end of this report)

- Lodger's Tax Requests from
 - Chamber of Commerce: \$117,000
 - Rails to Trails: \$ 2,000
 - Pioneer Museum \$ 12,000
- Discussed capabilities of the Placer AI system and how it will benefit the Village and the Lodger's Tax program as a whole.
- Discussed the Rentalscape program and We recommend, as a minimum, that the Village subscribe to the following Rentalscape modules (all amounts are annual subscription prices:
 - Address Identification, Compliance, Monitoring & Rental Activity Reporting \$3,900
 - Outreach Campaign \$2,500
 - Short Term Rental Registration Portal \$5,000
 - Tax Payment Portal: \$5,000
 - Total for all recommended Modules: \$16,400 per year.

Executive Session:

None

Adjournment:

Chair

VILLAGE OF CLOUDCROFT, NEW MEXICO
 OTERO COUNTY
 REGULAR COUNCIL MEETING AGENDA
VILLAGE OF CLOUDCROFT NM
OTERO COUNTY
LODGER'S TAX COMMITTEE MEETING

April 16, 2024

Governing Body, Village of Cloudcroft
 Attn: Mayor Craig Turner
 201 Burro Avenue
 Cloudcroft, NM 88317

Subject: FY 24-25 Budget Year Lodger's Tax Grant and Program Management Recommendations to the Governing Body (GB)

1. Based on Lodger's tax receipts provided by the Village Office through the end of FY 22-23 Starting July 1, 2022 and Ending June 30, 2023, the Village collected **\$176,826**.
2. Based on the state mandated formula for municipalities located in Class B counties, the formula for calculating the minimum amount of lodger's tax that must be spent on:
 - (4) advertising, publicizing and promoting tourist-related attractions, facilities and events of the municipality or county and tourist-related facilities, attractions and events within the area; is $[(3\%/Tax\ Rate\ Imposed) * Quarterly\ Proceeds] * 1/2 + [((Tax\ Rate\ Imposed - 3\%/Tax\ Rate\ Imposed) * Quarterly\ Proceeds) * .25]$, the village must spend a minimum of **\$70,730** on the above related items based on the FY 22-23 collected amount of **\$176,826** for promotion, publicizing tourist-related attractions, facilities, and events. The remainder must be spent in accordance with NM Statutes 3-28-21
https://www.lawserver.com/law/state/new-mexico/nm-statutes/new_mexico_statutes_3-38-21
 We have attached Promotional Formula for Quarterly Reporting spreadsheet at the end of this document.
3. We received the following requests for Lodger's Tax funding grants for the FY 24-25 funding year (July 1, 2024 to June 30, 2025)

Entity	Request Amount	Use	Point of Contact	Remarks
Cloudcroft Chamber of Commerce/Destination Marketing Organization	\$117,000.00	Advertising, Events, and Operations	Debra Spears and Kendra King 575-682-2733 22.pandalady@gmail.com	
Rails to Trails (Rails)	\$2,000.00	Advertising	Hal Payne, Treasurer 575-682-5456 - paynehal@gmail.com	Brochures and Trail Maps NOTE: Rails to Trails initially requested \$5,000.00 for the coming FY, however, one of our board members was contacted by Matt Willett with the Rails to Trails Organization who verbally revised the Rails to Trails request to \$2,000 for FY 24-25 because they did not spend the full request from FY 23-24.
Pioneer Museum	\$12,000.00	Garage/Building to	Steve Casey 214-392-5550	Awaiting proposal for building

VILLAGE OF CLOUDCROFT, NEW MEXICO
OTERO COUNTY
REGULAR COUNCIL MEETING AGENDA

		house a donated automobile	stephenwcasey@hotmail.com	Excerpt NM Statutes 3-38-21 (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 and attractions or tourist-related transportation systems of the municipality, the county in which the municipality is located or the county; (see attached statute excerpt from: https://www.lawserver.com/law/st/ate/new-mexico/nm-statutes/new-mexico-statutes-3-38-21)
Keep Cloudcroft Clean (KCC)	\$5,000.00	Advertising: & Supplies	Alex George (512) 592-8826 Alex@KeepCloudcroftClean.org	
Total Request from Local Businesses FY 2024-2025	\$134,000			
Statutory Compliance minimum 40% for Advertising, Promotion, etc. Total Advertising and Promotion Funds Requested from all Entities Total Ad and Promo Requested	Chamber \$88,880 Rails \$ 2,000 Museum \$12,000 Keep Cloudcroft Clean \$ 4,500 \$107,380	Exceeds statutory 40% requirement of \$70,730		
Estimated surplus of Projected Lodger's Tax Collections of \$176,826 for FY 2024-2025	\$37,826			

VILLAGE OF CLOUDCROFT, NEW MEXICO
OTERO COUNTY
REGULAR COUNCIL MEETING AGENDA

Allowable Uses of Lodgers Tax Funds

https://www.lawserver.com/law/state/new-mexico/nm-statutes/new_mexico_statutes_3-38-21

Our recommendations are based on the following data and assumptions from on our research of data provided by the Village of Cloudcroft through 4-16-2024..

- b. Lodger's Tax Collections from FY 22-23 of \$176,826.00 with the assumption that any overages will be covered by the carryover from previous years in the Lodger's Tax fund of \$91,632l.00, if needed.
- c. The difference in collections from January 23 through February 24. NOTE: through February, 2024, we are \$3,379.50 higher than the same period last FY allowing for the assumption that we are on glidepath to meet or exceed the FY 23-24 collections based on data provided by the Village office as of 4-16-2024.
- d. The identification of approximately 130 vendors by Rentalscape of 130 active traditional and short-term rental vendors, an increase of 80 vendors (traditional hotels and cabin rental operations, and short-term rental operations) based on current vendor collections provided by Crystal at the Village office on 4-16-2024. NOTE: During an audit of accounts, we found that the Village has 27 accounts that reported zero lodger's tax since July 2023 and an additional three vendors who have reported zero lodger's tax from September 2023 to-date. NOTE: Crystal said that we only have fifty STR entities being collected from.
- e. NOTE: we were told by the Museum and Chamber that there are outstanding lodgers tax bills that have been submitted. Since the awards are made on a reimbursement basis, the awardees do not have control of the money and the Village should, therefore, pay these bills as submitted out of the roll-over funds if no other place.
- f. Rentalscape for the Village to administer the Lodgers Tax program, an authorized expense per NM Statutes using Lodger's Tax funds. This will automate most, if not all, of the Village's Lodger's Tax program, leading to enhanced collection and enforcement of the program and saving Village monetary outlay by cutting out manual handling, data entry.
- g. We have provided the Rentalscape presentation at the end of this document for the Governing Body's Review and consideration for implementation. We have the money in the Lodger's tax fund and believe that it is in the Village's best interest to invest in Rentalscape or another provider to assist in identifying and modernizing the Village's Lodger's tax collection efforts. We chose Rentalscape as they are the only company of the three that we attempted to engage that provided us with data.
- h. We recommend, as a minimum, that the Village subscribe to the following Rentalscape modules (all amounts are annual subscription prices:
 - o Address Identification, Compliance, Monitoring & Rental Activity Reporting \$3,900
 - o Outreach Campaign \$2,500
 - o Short Term Rental Registration Portal \$5,000
 - o Tax Payment Portal: \$5,000
 - o Total for all recommended Modules: \$16,400 per year.

Upon your request, we will coordinate a presentation from Deckard Technologies on Rentalscape and its capabilities and lodger's tax operations and compliance at your request.

Warm Regards

Karl Campbell
Chair
Lodger's Tax Advisory Board

VILLAGE OF CLOUDCROFT, NEW MEXICO
OTERO COUNTY
REGULAR COUNCIL MEETING AGENDA

Village of Cloudcroft NM