

**Santa Clara Tourism Improvement District
Advisory Board Regular Meeting – AGENDA**

May 14, 2020, 9:00 a.m.

COVID-19 NOTICE

Consistent with the California Governor’s Executive Order No. N-29-20 and the Santa Clara County Health Officer’s March 16, 2020 Shelter in Place Order, the Santa Clara Tourism Improvement District (TID) Advisory Board Regular Meeting will not be physically open to the public and the TID Advisory Board members will be teleconferencing from remote locations.

How to participate in the meeting:

- 1) Call by phone (866) 390-1828. When prompted, enter the meeting ID number: 4128077#
- 2) When the Chair calls for the item on which you wish to speak, provide verbal notification of your intent to speak.
- 3) When the Chair calls for public comments, provide verbal notification of your intent to speak.
- 4) When called upon, please limit your remarks to the time limit allotted (3 minutes maximum per person).

Call to Order

Roll Call

Public Comments

Public comment for items not on the Agenda.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

1. Action on the Minutes of the April 9, 2020 Santa Clara Tourism Improvement District Advisory Board Regular Meeting and the Minutes of the April 16, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

Consent Items Pulled for Discussion

General Business – Items for Discussion

2. Update on the FY 2019/20 Tourism Improvement District Assessment Year-to-Date Collections.
3. Review of the Santa Clara Tourism Improvement District FY 2019/20 Annual Budget and FY 2020/21 Proposed Budget Submitted to the City of Santa Clara May 5, 2020.
4. Update on the Silicon Valley/Santa Clara DMO, Inc.’s CEO Recruitment (JLL).

5. Update from the Tourism Improvement District Subcommittee on the Progress of the Funding Subsidy Guidelines.

General Updates

Adjournment

The next regular scheduled meeting is on June 11, 2020, 9:00 a.m..

Please see COVID-19 NOTICE

Brown Act:

Government Code 54950 et seq (the Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Peter Hart, GM at peter.hart@hilton.com prior to the meeting.

Notice to Public:

You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda will be heard at the meeting as noted on the agenda. Public comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.

ATTACHMENTS

**Santa Clara Tourism Improvement District
Advisory Board Regular Meeting – MINUTES**

**SCTID MEETING:
May 14, 2020
AGENDA ITEM: 1**

April 9, 2020 9:00 a.m.

Call to Order

Eron Hodges, Chair, called the meeting to order at 9:02 a.m.

Roll Call

Present: 8 Callette Nielsen, General Manager, Marriott Santa Clara
Joe Eustice, General Manager, Hilton Santa Clara
Peter Hart, General Manager, Embassy Suites
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel
Jon Siebring, General Manager, Biltmore Hotel
Jordan Austin, General Manager, Element Santa Clara

Absent: 3 Alan Mass, General Manager, Hyatt House
Justin Hart, General Manager, AC Hotel Santa Clara
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

In Attendance

Kelly Carr, General Manager, Santa Clara Convention Center
Dan Fenton, Executive Vice President, JLL (call-in)
Nancy Thome, Assistant to the City Manager, City of Santa Clara
Ruth Shikada, Assistant City Manager, City of Santa Clara

Public Comments

There were no public comments.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

1. Action on the Minutes of the February 14, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

A motion was made by Peter Hart, seconded by Mark Salquist, to approve the Consent Calendar. Motion passed unanimously (8-0).

Consent Items Pulled for Discussion

None.

General Business – Items for Discussion

2. Update on the Formation of the new Santa Clara Tourism Improvement District.

Council first approved changing to a 1.5% assessment on February 11. City Council action to approve the Resolution of Intention to establish the new Santa Clara Tourism Improvement District under the 1994 Law was on the March 17 Council Meeting agenda. With the COVID-19 related events at that time March 17 Council items were continued to a special Council Meeting on March 24. At the March 24 meeting, the TID item was pulled from the consent calendar and discussed on the dais. This item did not pass on a vote of 3-3. Council at that time, directed staff to return to the April 8 Council with options for the TID with a flat rate TID assessment.

Both Eron and Joe attended the April 8 Council meeting whereby City staff presented two options to Council. The first option was to continue with formation of the new District and the levy of a flat rate assessment under the 1994 Law. The second option was to defer formation of the new District under the 1994 Law and renew the current District. Council voted, 4-2, in favor of option 2 to temporarily postpone the formation process and to allow time for staff to assess the City's overall economic situation and outlook.

TID members were disappointed in Council's decision to stay at a flat rate and agreed they would like to get further clarification from City Council on what temporary means.

Per Council's direction to renew the current TID, the Advisory Board needs to prepare an annual report and proposed FY 20/21 TID budget for presentation to Council on May 19. The public hearing is tentatively scheduled for June 23. JLL will work with the TID to develop the proposed budget and a TID Special Meeting will be scheduled for the following week to discuss and review. City requested that the TID submit the annual report and the proposed FY 20/21 by the end of April.

3. Action on the Tourism Improvement District FY 19/20 Quarter 3 (ending April 3, 2020) Financial Report.

Nancy Thome reported that the total TID revenue through April 3 is approximately \$1.56 million which includes year-to-date revenue of \$600,000. It was noted that the total amount of reserves at the start of FY 19/20 was adjusted to reflect the total revenue posted during Quarter 4 of FY 18/19. The total amount expended in Quarter 3 was \$56,567 bringing the year-to-date expenditures amount to \$140,331.

A motion was made by Callette Nielsen, seconded by Jordan Austin, to note and file the Tourism Improvement District FY 19/20 Quarter 3 Financial Report. Motion passed unanimously (8-0).

4. Action to Approve Invoice #339 from Destination Advantage in the Amount of \$2,000 for Destination Marketing Services for February 2020.

Nancy Thome reported that while the agreement between Destination Advantage and the DMO has been fully executed, the Agreement began in March. The attached invoice #339 submitted from Destination Advantage was for services provided for the month of February 2020 at the same agreed upon rate of \$2,000 per month.

A motion was made by Jean-Phillippe Rollet, seconded by Mark Salquist, to approve payment of \$2,000 to Destination Advantage for services provided for February 2020. Motion passed unanimously (8-0).

5. Update on the Silicon Valley/Santa Clara DMO, Inc.'s CEO Recruitment (JLL).

Dan Fenton reported that between JLL and Searchwide, over 100 potential candidates have been contacted. JLL recently completed Skype interviews with four potential finalist candidates. JLL will review next steps with DMO Board in terms of how they would like to proceed.

6. Update on the Temporary Sales Position Interviews and Candidates (JLL).

Dan Fenton reported that two candidates went through the interview process with Nadine Nader and Nancy Thome (City of Santa Clara), Kelly Carr (Spectra), and himself and Bethanie DeRose (JLL). JLL will further discuss with the DMO Board at the next meeting.

7. Update from the Tourism Improvement District Subcommittee on the Progress of the Funding Subsidy Guidelines.

There was no subcommittee update. JLL has offered to assist and provide the subcommittee with other examples.

8. Update on the Convention Center Booking Strategy (JLL).

Dan Fenton reported that they received good feedback around differentiating weekday versus weekend bookings and to strengthen P3 and P4 bookings. The attachment included a redline version of where input was provided on the document. Work can continue to move forward and hotels were asked to submit any additional edits.

9. Update on the Visit Santa Clara Website and Lead Generation (City).

Nancy Thome, City of Santa Clara, and Audrey Marshall, Convention Center, have been provided access to the Visit Santa Clara website and are able to make simple updates to the website. Donovan Shia with Destination Advantage has been very responsive to requests and offers/provides help as needed. Board members were asked to review the website <https://www.santaclara.org/> when they are able to and to note any pages or information that requires updating. It was also noted that the copyright information on the website (bottom of page) has already been changed to Silicon Valley/Santa Clara DMO, Inc.

Nancy Thome now has access to the SwiftRFP program which is the back-end of the Convention Calendar <https://conventioncalendar.com> where visitors can submit requests for proposals. During the interim period, Nancy will receive the RFPs through the system and forward to the identified lead contacts at the TID hotels and Convention Center. It was determined that RFPs would be forwarded to all partners so that they can see what types of requests are coming through the system.

10. Updates on the COVID-19 Impact on Convention Center and Hotels.

The Convention Center exhibit halls have been converted to a Federal Medical Station (FMS) with 250 beds. There are five patients currently. Spectra is operating with minimal staffing to maintain the opposite side of the building with some of their staffing working remotely. Most of the events that were scheduled for March and April have been moved to a future date. Additionally, Spectra booked four new pieces of business last week.

The Element Santa Clara is open and housing some medical personnel and medical support staff. There are approximately 12 hotel staff and the management team working.

The Avatar Hotel reopened and have very limited staffing.

Embassy Suites is currently still open with very limited staffing.

The Hyatt is selling into May and are following the guidelines of the Santa Clara County Health Officer and State.

The Biltmore is currently closed and looking at moving up construction. They are tentatively scheduled to open May 4 pending any changes in the current shelter-in-place orders.

The Plaza Suites are tentatively planning to open mid-May pending any changes in the current shelter-in-place orders.

General Updates

Jordan Austin will be out on maternity leave until September.

Adjournment

The next regular scheduled meeting is on May 14, 2020, 9:00 a.m..

**Santa Clara Tourism Improvement District
Advisory Board Special Meeting – MINUTES**

**SCTID MEETING:
May 14, 2020
AGENDA ITEM: 1**

April 16, 2020, 9:30 a.m.

Call to Order

Eron Hodges, Chair, called the meeting to order at 9:34 a.m.

Roll Call

Present: 7 Callette Nielsen, General Manager, Marriott Santa Clara
Joe Eustice, General Manager, Hilton Santa Clara
Justin Hart, General Manager, AC Hotel Santa Clara
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel
Jordan Austin, General Manager, Element Santa Clara

Absent: 4 Alan Mass, General Manager, Hyatt House
Peter Hart, General Manager, Embassy Suites
Jon Siebring, General Manager, Biltmore Hotel
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

In Attendance

Kelly Carr, General Manager, Santa Clara Convention Center
Dan Fenton, Executive Vice President, JLL
Bethanie DeRose, Vice President, JLL
Nancy Thome, Assistant to the City Manager, City of Santa Clara

Public Comments

Public comment for items not on the Agenda.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

Consent Items Pulled for Discussion

General Business – Items for Discussion

1. Discussion on the Santa Clara Tourism Improvement District Proposed Budget for FY 2020/21.

The proposed FY 2020/21 operating budget is \$1,244,060 which includes the use of \$717,060 of TID reserve funds. The budget is organized into Sales & Services, Marketing &

Communication, Administration, and Contingency. During this first phase of implementation, the budget will support four positions: director of sales, national sales manager, marketing director and CEO. Included as additional cost impacts are the City's administrative fees (\$3,000), and first-year cost of hotel reimbursement (\$4,000) and start-up costs of (\$70,000). There was discussion to consider increasing the salary for the marketing director position and to include a line item to reimburse hotels for costs associated to establish its corporation through work with Civitas. JP will reach out to Civitas to obtain back-up documentation for future reimbursement request.

Jean-Phillippe Rollet left meeting at 10:00 a.m.

TID Revenue for FY 2020/21 and FY 2020/21 is estimated at approximately \$600,000 (a 25% reduction) and it is projected that if the TID continues at the same flat rate assessment, there will be less than \$200,000 of TID reserves remaining at the end of year two.

Members stressed the importance of attendance at the May 19 Council meeting to provide public comment or to participate via eComment as made available to the public. Additionally, TID members are encouraged to provide letters of support to be included in the Chair's presentation and annual report.

A motion was made by Joe Eustice, seconded by Jordan Austin, to approve the Proposed FY 2020/21 TID Budget with modifications to include a line item for hotel reimbursement and any revisions needed for year two TID revenue projections. Motion passed unanimously (6-0).

General Updates

Adjournment

The next regular scheduled meeting is May 14, 2020, 9:00 a.m.

CVB Budget \$1/Room Includes COVID Implications			
Budget Item	Amount	% of Budget	Notes
SALES & SERVICES			
Personnel	\$ 325,000	25%	Selling Director of Sales and 1 National Sales Manager includes base salary, benefits and incentive
Conferences & Events	\$ 25,000	2%	Ability to go to a few shows as registered attendees - not booth or sponsorship, includes travel, accomodations, per diem, registration
Regional			
Misc			
Sponsorships			
Support Services	\$ 60,000	5%	Sales client engagement
Site Tours	\$ 19,000		Cost to bring in clients to tour the SCCC (travel costs, food and beverage, etc.)
Familiarization Trips	\$ 19,500		Prospective client trips into Santa Clara to visit the SCCC and relevant sites
Client Events	\$ 19,000		Hosting and facilitating client events on or offsite
Subscriptions & Dues	\$ 2,500		CVB will determine which organizations to join based on need
Travel & Entertainment	\$ 15,000	1%	Sales employee travel and client entertainment
Incentives	\$ 64,160	6%	Any incentive funds are approved by TID in advance - will provide TID approval process
SUBTOTAL	\$ 489,160	37%	
MARKETING & COMMUNICATION			
Personnel	\$ 90,000	8%	Marketing Manager salary and benefits
Contract Services	\$ 60,000	5%	Design and/or consultant work to develop marketing materials to support sales initiatives
Website	\$ 50,000		
Website maintenance	\$ 24,000		Destination Advantage (Cost is \$2,000/month)
Development	\$ 26,000		Fees associated with freelance development work
SUBTOTAL	\$ 200,000	15%	
ADMINISTRATION			
Personnel	\$ 354,900		CEO base compensation, incentive and benefits
Salary	\$ 210,000		
Incentive	\$ 63,000		
Benefits	\$ 81,900		
Contract Services	\$ 140,000		
Contract HR	\$ 30,000		Contract HR services
Contract Finance	\$ 15,000		Contract finance (CPA, taxes, etc) services
Legal	\$ 20,000		Contract legal services as needed
Payroll costs	\$ 15,000		Payroll costs across all departments
Annual Audit	\$ 10,000		Annual financial audit
Insurance	\$ 50,000		D&O, General Liability, Workers Comp
Network Support	\$ 5,000		Drive/Cloud storage costs, networks, etc.
Misc	\$ 5,000		Purchased goods and services as needed (i.e. office supplies, postage, rent, etc.)
SUBTOTAL	\$ 504,900	38%	
Contingency/Reserves	\$ 50,000		Held in a reserve, or used to account for uncollected assessments, for another program, administration or renewal cost (DMO Board discretion)
SUBTOTAL	\$ 50,000	4%	
OPERATING BUDGET TOTAL	\$ 1,244,060		\$344,060 over Initial proposed of \$900,000
City Administration Fee	\$ 3,000	0%	For City costs associated with the administration and collection of TID funds (reduced from total collection amount to TID/DMO)

Hotel Reimbursement	\$ 4,000	0%	Hotel reimbursement for previous work with Civitas (estimated \$500 x 8 hotels)
TOTAL	\$ 1,251,060		
Start Up Costs			Costs associated with standing up the organization
Computers, Hardware, Supplies	\$ 20,000		For 4 staff
Contract Services	\$ 50,000		
Total Start Up Costs	\$ 70,000	5%	
YEAR-1 TOTAL	\$ 1,321,060	100%	
FY 2020/21 Revenue Collected	\$ 600,000		Projected revenues for FY 2020/21
Reserves Needed	\$ 721,060		
Reserves Beginning Year-2	\$ 840,661		Beginning July 1, 2020 \$ 1,561,721 Current reserve balance as of April 3, 2020 . Will fluctuate as there are charges pending.
FY 2021/22 Revenue Collected Year-2	\$ 600,000		Projected revenues for FY 2020/21
Budget Year-2	\$ 1,247,060		YEAR-1 Total minus start up costs and hotel reimbursement (-\$74,000)
Reserves Balance Year-2	\$ 193,601		

EXECUTIVE SUMMARY

This is the annual report by the participating hotel properties in Santa Clara’s Tourism Improvement District (TID) and in collaboration with the newly formed Destination Marketing Organization (DMO) on the use of the revenues collected from the TID.

- In December 2004, the City Council approved the TID to collect a \$1.00 fee on each occupied hotel/motel room in the now 11 hotels near the Santa Clara Convention Center: AC Santa Clara (joined 2019), Avatar Hotel, Biltmore Hotel & Suites, Element (joined 2019), Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara, The Plaza Suites, and TownePlace Suites by Marriott.
- The intent of the TID is to serve as a vehicle of subsidy with the participating hotels self-assessing a fee in order to properly market the City of Santa Clara as a convention and visitors’ destination.
- The hotels began to collect the TID assessment on February 14, 2005.
- Forecasted Collection FY 2019/2020 - \$709,977
- Forecasted Collection FY 2020/2021 - \$600,000
- Current Reserve Funds - \$1.6 million

Actual 2017-18	Actual 2018-19	Estimated 2019-20*	Forecasted 2020-21
\$780,451	\$660,711	\$709,977	\$600,000

*FY2019-20 collections are estimated based collection through May 5, 2020 assuming current funding levels due to COVID-19 occupancy projections.

- The TID Board directs the spending of the TID funds through the newly created DMO “Visit Santa Clara”. The attached report outlines the results for fiscal year 2019-20.

The Honorable Mayor and City Council
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050

May, 5, 2020

CC:

Deanna J. Santana, City Manager
Ruth Mizobe Shikada, Assistant City Manager
Nancy Thome, Assistant to the City Manager
Kenn Lee, Director of Finance
City Clerks' Office

The following is a report on the Santa Clara Tourism Improvement Districts (TID) FY 2019/2020 activities and FY 2020-21 goals.

To assist the newly formed Destination Marketing Organization (DMO) with selling and marketing the City of Santa Clara to hotel and convention center groups and visitors, the TID, which was established in 2004 as a marketing revenue supplement, is now the entire funding source for citywide sales and marketing efforts.

Each participating hotel is assessed \$1.00 per occupied room night. This assessment funds the TID's efforts to successfully market and sell the City of Santa Clara and convention center. The TID is composed of 11 Santa Clara hotels that surround the Santa Clara Convention Center. They include the AC Santa Clara, Avatar Hotel, Biltmore Hotel & Suites, Element, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara, The Plaza Suites, and TownePlace Suites by Marriott.

Since the inception of the TID on February 14, 2005, the District has provided over \$8.37 million in additional funding to the former CVB, which further supported the marketing of the hotels and Santa Clara Convention Center. As determined by Council on September 18, 2018 to terminate the Santa Clara Chamber of Commerce's contract to manage the CVB and SCCC, the TID funds have since been collected by the City with minimal expenditures. The TID, knowing how critical future marketing efforts were to future groups, events, visitors and the economy, stepped up to be the sole funding source for a new DMO following the Council decision to terminate the Chamber's agreement for these services. This insertion of the TID as the sole funder of sales and marketing efforts saves the City about \$1.6 annually and enables the hotels to fund the DMO entirely based on the TID funding mechanism, which the TID is interested in evolving to a percent model of room rate in order to sustain DMO operations.

The goal of the TID is to review annual work programs and budget for the DMO. Each TID hotel holds a seat on the Board as a voting member. Below is a recap of FY 2019-2020 YTD through April 17, 2020.

Key Accomplishments

The current year has been dedicated to preparing for the future with the development of the newly formed DMO "Visit Santa Clara" including establishing new strategic selling efforts, systems of governance, a new staffing model and supporting a new budget for the upcoming fiscal year.

The following are key accomplishments of the 2019/2020 fiscal year:

1. Funded administrative expenses for the formation of the new DMO including legal, district formation and insurance.
2. Formation of the new DMO Board of Directors with guidance from Council.
3. Identified and solicited bids for insurance coverage of the DMO operation.
4. Execution of a hotel room block survey to guide sales strategies as it relates to booking group business into the SCCC and Santa Clara hotels.
5. Development of a new Booking Strategy for the DMO and SCCC to follow jointly. This strategy sets the course for the DMO to sell the space to regional and national markets into the years ahead while the SCCC sales efforts focus on the short-term windows for local uses.
6. Development of budget to function under multiple scenarios, including forecasting the situation related to COVID-19 recovery.
7. Development of a year-1 budget for the DMO.
8. Gathered support to allow the TID hotels devise a future solution to properly fund the future marketing efforts of the newly formed DMO in support of the City of Santa Clara and Santa Clara Convention Center. The percent solution will remove any previous financial obligations by the City that were \$1.6M annually with the previous management agreement.
9. Development of the recruitment materials and approval for the executive search to begin for a new industry professional to be the CEO of the DMO. The DMO has finalized candidates.
10. Development of an organizational chart with position by position descriptions to support a sustainable DMO operation into the future.
11. Identified sales and marketing programs to be vetted by the incoming CEO.
12. Solidified a website maintenance agreement to maintain the Visit Santa Clara website.
13. Completed a framework for future success in marketing the destination with direct benefits to the City of Santa Clara, the Santa Clara Convention Center, the Tourism Improvement District and Visit Santa Clara.

This is the 15th year of operation for the TID and it has been successful in supporting the development and direction of the newly formed DMO. Much groundwork has been laid over the past nearly two years to get to this stage. Future years will be dependent on modifying and enhancing the existing funding structure as stated by Council in recent meetings. However, in the interim, the TID is committed to achieving success of the goals laid out for the TID and City with this effort and the TID is utilizing a portion of its reserve funding to jump start the operation at this level. With two prior years of no marketing efforts in place,

the TID hotels believe this utilization of the reserve funds will set up the organization and the City for joint success for sales and marketing at the Santa Clara Convention Center. Once the temporary \$1.00/room funding is converted to a percentage operations will be sustainable. The TID hotels remain as committed as ever to building a successful future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eron Hodges', with a long horizontal flourish extending to the right.

Eron Hodges
TID Board Chair

DMO PROPOSED FY 2020/21 Budget

Budget Item	FY 2020/21	% of Budget	FY 2021/22
<u>SALES & SERVICES</u>			
Personnel	\$ 325,000		\$ 325,000
Salary	\$ 152,500		\$ 152,500
Incentive	\$ 97,500		\$ 97,500
Benefits	\$ 75,000		\$ 75,000
Conferences & Events	\$ 25,000		\$ 25,000
Support Services	\$ 60,000		\$ 60,000
Site Tours	\$ 19,000		\$ 19,000
Familiarization Trips	\$ 19,500		\$ 19,500
Client Events	\$ 19,000		\$ 19,000
Subscriptions & Dues	\$ 2,500		\$ 2,500
Travel & Entertainment	\$ 15,000		\$ 15,000
Incentives	\$ 64,160		\$ 64,160
SUBTOTAL	\$ 489,160	39.32%	\$ 489,160
<u>MARKETING & COMMUNICATION</u>			
Personnel	\$ 90,000		\$ 90,000
Salary	\$ 63,000		\$ 63,000
Benefits	\$ 27,000		\$ 27,000
Contract Services	\$ 60,000		\$ 60,000
Website	\$ 50,000		\$ 50,000
Website maintenance	\$ 24,000		\$ 24,000
Development	\$ 26,000		\$ 26,000
SUBTOTAL	\$ 200,000	16.08%	\$ 200,000
<u>ADMINISTRATION</u>			
Personnel	\$ 354,900		\$ 354,900
Salary	\$ 210,000		\$ 210,000
Incentive	\$ 63,000		\$ 63,000
Benefits	\$ 81,900		\$ 81,900
Contract Services	\$ 80,000		\$ 80,000
Human Resources	\$ 30,000		\$ 30,000
Finance	\$ 15,000		\$ 15,000
Legal	\$ 20,000		\$ 20,000
Payroll	\$ 15,000		\$ 15,000
Miscellaneous	\$ 70,000		\$ 70,000
Audit	\$ 10,000		\$ 10,000
Insurance	\$ 50,000		\$ 50,000
Network Support	\$ 5,000		\$ 5,000
Purchased Goods & Services	\$ 5,000		\$ 5,000
SUBTOTAL	\$ 504,900	40.58%	\$ 504,900
Contingency/Reserves	\$ 50,000		\$ 53,000
SUBTOTAL	\$ 50,000	4.02%	\$ 53,000
OPERATING BUDGET TOTAL	\$1,244,060	100.00%	\$1,247,060

DMO PROPOSED FY 2020/21 Budget

Budget Item	FY 2020/21	% of Budget	FY 2021/22
City Administration Fee	\$ 3,000		\$ 3,000
Hotel Reimbursement	\$ 4,000		-
TOTAL	\$1,251,060		\$1,250,060
Start Up Costs			
Computers, Hardware, Supplies	\$ 20,000		
Contract Services	\$ 50,000		
Total Start Up Costs	\$ 70,000		
YEAR-1 TOTAL	\$ 1,321,060		
FY 2020/21 Revenue Collected	\$ 600,000		
Reserves Needed	\$ 721,060		
Reserves Beginning Year-2	\$ 945,307		
FY 2021/22 Revenue Collected Year-2	\$ 600,000		
Budget Year-2 (See column for breakdown)	\$ 1,250,060		
Reserves Balance Year-2	\$ 295,247		

DMO Proposed FY 2020/21 Budget - DETAILS

Budget Item	FY 2020/21	% of Budget	FY 2021/22	Notes
SALES & SERVICES				
Personnel	\$ 325,000		\$ 325,000	2 FTE - Director of Sales and National Sales Manager
Salary	\$ 152,500		\$ 152,500	
Incentive	\$ 97,500		\$ 97,500	
Benefits	\$ 75,000		\$ 75,000	
Conferences & Events	\$ 25,000		\$ 25,000	Travel/accomodation costs associated with staff as registered attendees - not hosting booth or providing sponsorships. DMO to determine.
Support Services	\$ 60,000		\$ 60,000	Costs associated with sales client engagement activities
Site Tours	\$ 19,000		\$ 19,000	Costs to bring in clients to tour the Center
Familiarization Trips	\$ 19,500		\$ 19,500	Prospective client trips into Santa Clara to visit the Center and relevant sites
Client Events	\$ 19,000		\$ 19,000	Hosting and facilitating client events on or offsite
Subscriptions & Dues	\$ 2,500		\$ 2,500	DMO will determine which organizations to join based on need
Travel & Entertainment	\$ 15,000		\$ 15,000	Sales employee travel and client entertainment
Incentives	\$ 64,160		\$ 64,160	Any incentive funds are approved by TID in advance - will provide TID approval process
SUBTOTAL	\$ 489,160	39.32%	\$ 489,160	
MARKETING & COMMUNICATION				
Personnel	\$ 90,000		\$ 90,000	1 FTE - Marketing Manager
Salary	\$ 63,000		\$ 63,000	
Benefits	\$ 27,000		\$ 27,000	
Contract Services	\$ 60,000		\$ 60,000	Design and/or consultant work to develop marketing materials to support sales initiatives
Website	\$ 50,000		\$ 50,000	
Website maintenance	\$ 24,000		\$ 24,000	Funds for current agreement with Destination Advantage (\$2,000/month)
Development	\$ 26,000		\$ 26,000	Fees associated with freelance development work
SUBTOTAL	\$ 200,000	16.08%	\$ 200,000	
ADMINISTRATION				
Personnel	\$ 354,900		\$ 354,900	1 FTE - President/CEO
Salary	\$ 210,000		\$ 210,000	This is a negotiable up to amount
Incentive	\$ 63,000		\$ 63,000	
Benefits	\$ 81,900		\$ 81,900	
Contract Services	\$ 80,000		\$ 80,000	
Human Resources	\$ 30,000		\$ 30,000	Contract HR services
Finance	\$ 15,000		\$ 15,000	Contract finance (CPA, taxes, etc) services
Legal	\$ 20,000		\$ 20,000	Contract legal services as needed - Current agreement with Thoits Law
Payroll	\$ 15,000		\$ 15,000	Payroll costs across all departments
Miscellaneous	\$ 70,000		\$ 70,000	
Audit	\$ 10,000		\$ 10,000	Annual financial audit
Insurance	\$ 50,000		\$ 50,000	D&O, General Liability, Workers Comp
Network Support	\$ 5,000		\$ 5,000	Drive/Cloud storage costs, networks, etc.
Purchased Goods & Services	\$ 5,000		\$ 5,000	Line items to be determined - office supplies, postage, rent, cell phone service, utilities, bank fees, etc.
SUBTOTAL	\$ 504,900	40.58%	\$ 504,900	
Contingency/Reserves	\$ 50,000		\$ 53,000	Held in a reserve, or used to account for uncollected assessments, for another program, administration or renewal cost (DMO Board discretion)
SUBTOTAL	\$ 50,000	4.02%	\$ 53,000	Reflects 6% increase
OPERATING BUDGET TOTAL	\$1,244,060	100.00%	\$1,247,060	

DMO Proposed FY 2020/21 Budget - DETAILS

Budget Item	FY 2020/21	% of Budget	FY 2021/22	Notes
City Administration Fee	\$ 3,000		\$ 3,000	For City costs associated with the administration and collection of TID funds (reduced from total collection amount passed onto TID/DMO)
Hotel Reimbursement	\$ 4,000		-	Hotel reimbursement request for previous TID work with Civitas (estimated \$500 x 8 hotels)
TOTAL	\$1,251,060		\$1,250,060	
Start Up Costs				Costs associated with standing up the organization
Computers, Hardware, Supplies	\$ 20,000			For 4 staff
Contract Services	\$ 50,000			Related to continued DMO formation costs: legal, policy and organizational development, other
Total Start Up Costs	\$ 70,000			
YEAR-1 TOTAL	\$ 1,321,060			
FY 2020/21 Revenue Collected	\$ 600,000			Projected revenues for FY 2020/21
Reserves Needed	\$ 721,060			
Reserves Beginning Year-2	\$ 945,307			Beginning July 1, 2020 \$ 1,666,367 Current reserve balance as of May 3, 2020 . Will fluctuate as there are charges pending.
FY 2021/22 Revenue Collected Year-2	\$ 600,000			Projected revenues for FY 2021/22
Budget Year-2 (See column for breakdown)	\$ 1,250,060			
Reserves Balance Year-2	\$ 295,247			