

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

April 30, 2021, 1:00 p.m.

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**\*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 Special Meeting will not be physically open to the public and the TID Advisory Board members will be teleconferencing from remote locations.*

*The public can participate remotely via Zoom: <https://santaclaraca.zoom.us/j/98388931670>. Meeting ID: 983 8893 1670 or by phone: 1 (669) 900-6833.*

**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 Santa Clara Tourism Improvement District Advisory Board
  - Regular Meeting – March 18, 2021
  - Special Meeting – April 16, 2021

**Consent Items Pulled for Discussion**

**General Business – Items for Discussion**

2. Discussion and Action on TID FY 2020/21 Annual Report and the Silicon Valley/Santa Clara DMO, Inc. FY 2021/22 Proposed Budget.

**General Updates**

- City of Santa Clara - Brown Act and Robert's Rules of Order Presentation at May 20, 2021 meeting.

**Adjournment**

The next regular scheduled meeting is on May 20, 2021 at 8:00 a.m.

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*\*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](mailto: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.*

*In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Santa Clara Tourism Improvement District (TID) will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The Santa Clara TID will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the Santa Clara TID's programs, services, and activities. The Santa Clara TID will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.*

*Agendas and other written materials distributed during a public meeting that are public record will be made available by the Santa Clara Tourism Improvement District in an appropriate alternative format. Contact Nancy Thome at 1-408-615-2294 with your request for an alternative format copy of the agenda or other written materials.*

*Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the Santa Clara TID, should contact the Peter Hart, GM at [peter.hart@hilton.com](mailto:peter.hart@hilton.com) prior as soon as possible before the scheduled event.*

## ATTACHMENTS

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

March 18, 2021, 8:00 a.m.

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**Call to Order**

Chair Hodges called the meeting to order at 8:04 a.m.

**Roll Call**

**Present: 6** Justin Hart, General Manager, AC Hotel 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

**Absent: 5** Vince Buonocore, Interim General Manager, Marriott Santa Clara  
Bridgette Burns, General Manager, TownePlace Suites by Marriott  
Joe Eustice, General Manager, Hilton Santa Clara  
Alan Mass, General Manager, Hyatt House  
Ryan Turner, General Manager, Element Santa Clara

A quorum was met.

**In Attendance**

Ruth Mizobe Shikada, Assistant City Manager, City of Santa Clara  
Nancy Thome, Assistant to the City Manager, City of Santa Clara  
Dan Fenton, Executive Vice President, JLL  
Bethanie DeRose, Senior Vice President, JLL  
Kelly Carr, General Manager, Spectra Venue Management  
Matt Stewart, CEO, Silicon Valley/Santa Clara DMO, Inc.

**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 Santa Clara Tourism Improvement District Advisory Board
  - Regular Meeting – February 18, 2021

**A motion was made by Jean-Phillippe Rollet, seconded by Justin Hart, to approve the Consent Calendar. Motion passed unanimously (6-0).**

## Consent Items Pulled for Discussion

### General Business – Items for Discussion

#### 2. Two-Year Budget Planning

Matt Stewart provided a brief overview of the projected fund balance for future years. The estimated balance for FY 2020/21 is \$1.4 million and projected TID revenue in FY 2021/22 is \$610,936. Matt indicated he is currently working on the budget and is planning to present to the TID at the April 15 meeting.

#### 3. Silicon Valley/Santa Clara DMO, Inc. Updates

Matt Stewart provided an update on DMO activities:

- DMO will be looking to extend the sales contractor agreement.
- A temp administrative assistant was hired by the name of Martina. Martina has been on board for three weeks.
- Reported trends: 81% of travelers will travel in the next six months; lanners are hesitant to book events this year but there is pent up demand.
- Sales contractor Michael spoke to 54 clients resulting in two tentative leads.
- Michael is putting together a newsletter for Santa Clara and the DMO is working on a citywide presentation.
- The monthly report includes a new table that summarizes sales contractor goals and attainments.
- Extranet access to Simpleview was sent to the hotel lead catchers. This access will provide hotels the ability to view Simpleview, the DMO's CRM system.
- DMO is finalizing its KPI goals which will be shared with the TID at a future meeting.

#### 4. TID Conversion Timeline and Update on Petition Process

Nancy Thome reported that as the City has received petitions from hotels who will collectively pay more than 50% of the assessment which initiates the TID conversion process. The conversion process is a three-step process and tentative dates have been scheduled for each step:

- April 6 – Upon receiving petitions from hotels who will collectively be paying more than 50% of the assessment, City Council can adopt a Resolution of Intention (ROI) to establish the district under the 1994 Law.
- April 20 – Upon the Council approving the ROI, a public meeting will take place to allow for the public to provide public comments.
- May 25 – A public hearing will take place to establish the new district which would go into effect July 1.

#### 5. Action on the Tourism Improvement District Subsidy Guidelines

This item had been deferred from the February 18<sup>th</sup> meeting.

**A motion was made by Mark Salquist, seconded by Jean-Phillippe Rollet, to approve the proposed Tourism Improvement District Subsidy Guidelines. Motion passed unanimously (6-0).**

6. Action on the Santa Clara Convention Center Booking Strategy (Revised)

Eron reported that a few inconsistencies were found in the Booking strategy which required simple clerical/administrative revisions.

**A motion was made by Jean-Phillippe Rollet, seconded by Peter Hart, to approve the revised Santa Clara Convention Center Booking Strategy. Motion passed unanimously (6-0).**

7. California Hotel & Lodging Association Clean + Safe Certification Updates

Eron reported that the following hotels have completed certification: Marriott, Hyatt, Biltmore, Element, Embassy Suites, and requested updates from the remaining hotels:

- Mark (Avatar) and Jean-Phillippe (Plaza Suites) reported they had completed certification.
- Justin (AC Santa Clara) reported that he will look into the follow-up on the certification process.
- There were no updates for Hilton, TownePlace Suites, or Hyatt House.

8. Santa Clara Convention Center Updates

Kelly Carr reported that the Center is still serving as a vaccination clinic. The clinic is no longer running on weekends and only running Monday thru Friday, 8:00 a.m. – 4:30 p.m.

Justin Hart left the meeting at 8:44 a.m.

In regard to the CIP projects:

- Spectra has moved into the design development phase with HOK and will be review projected costs shortly.
- The glass pyramid project is almost complete. There are about 10 pieces of glass that need to be replaced.
- The security camera assessment was completed by Johnson Controls and the new cameras and system has been ordered.
- The new HVAC units are being installed and will be completed by the end of the day.
- The start of construction is anticipated in June or July.

9. Economic Development, Communications, and Marketing Committee Tentative Schedule (attachment – schedule)

Nancy Thome shared the tentative schedule for the EDCM Meetings which included regular updates by the DMO. The ECDM is comprised of Councilmembers Watanabe, Park and Becker.

**General Updates**

- City of Santa Clara - Brown Act and Robert's Rules of Order Presentation at May 20, 2021 meeting.
- Mark reported Avatar is under renovations and will remain closed until Q1 of 2022.

- Avatar is re-branding and will no longer be under the Hyatt.
- Eron reported that there is no re-opening date for the Hilton.
- Jean-Phillippe reported the Plaza Suites will not re-open until this summer.

### **Adjournment**

The meeting was adjourned at 9:02 a.m. The next regular scheduled meeting is on April 15, 2021 at 8:00 a.m.

DRAFT

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

April 16, 2021, 8:00 a.m.

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**Call to Order**

Chair Hodges called the meeting to order at 8:03 a.m.

**Roll Call**

**Present: 4** Vince Buonocore, Interim General Manager, Marriott Santa Clara  
Eron Hodges, General Manager, Hyatt Regency Santa Clara  
Jon Siebring, General Manager, Biltmore Hotel  
Ryan Turner, General Manager, Element Santa Clara

**Absent: 7** Joe Eustice, General Manager, Hilton Santa Clara  
Justin Hart, General Manager, AC Hotel Santa Clara  
Jean-Phillippe Rollet, General Manager, The Plaza Suites  
Peter Hart, General Manager, Embassy Suites  
Mark Salquist, General Manager, Avatar Hotel  
Alan Mass, General Manager, Hyatt House  
Bridgette Burns, General Manager, TownePlace Suites by Marriott

A quorum was not met. Eron reported that Joe is on assignment in Orlando, Jean-Phillippe and Mark are in transition meetings with new hotel ownerships and Justin and Peter are out on vacation.

**In Attendance**

Ruth Mizobe Shikada, Assistant City Manager, City of Santa Clara  
Nancy Thome, Assistant to the City Manager, City of Santa Clara  
Dan Fenton, Executive Vice President, JLL  
Kelly Carr, General Manager, Spectra Venue Management  
Matt Stewart, CEO, Silicon Valley/Santa Clara DMO, Inc.

**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.*

**Consent Items Pulled for Discussion**

**General Business – Items for Discussion**

1. Budget Presentation: Discussion and Action on the Silicon Valley/Santa Clara DMO, Inc. Proposed FY 2021/22 Operating Budget.



Matt Stewart provided an overview of the first draft of the DMO FY 2021/22 Proposed Budget.

**There was no action taken as a quorum was not met.**

2. Presentation: Discussion and Action on the Silicon Valley/Santa Clara DMO, Inc. Key Performance Indicators.

Matt Stewart provided an overview of the DMO's key performance indicators.

**There was no action taken as a quorum was not met.**

### **General Updates**

- City of Santa Clara - Brown Act and Robert's Rules of Order Presentation at May 20, 2021 meeting.
- Nancy Thome reported City Council approved the Resolution of Intention to establish the new district on April 6. The public meeting and public hearing notice were sent to the hotels via email on April 7 and also mailed hard copies the same day. The public meeting is scheduled for April 20 and the public hearing is scheduled for May 25.
- Eron Hodges reported that Manny Gonzales, General Manager of California's Great America and DMO Vice-Chair announced his departure at the last DMO meeting. Manny has accepted a new assignment with Cedar Fair and will be moving to North Carolina in June. Eron also noted that Top Golf in San Jose opened effective today to be open 300 days of the year for families and businesses.
- Eron Hodges reported the CDC and Cal Osha have release new guidance on venue/events re-opening June 15. It was suggested that the hotels and Convention Center work together to offer consistent baseline safety best practices for guests.

### **Adjournment**

The meeting adjourned at 9:13 a.m. The next regular scheduled meeting is on May 20, 2021 at 8:00 a.m.

April 28, 2021

**EXECUTIVE SUMMARY**

This is the annual report for FY 2020/21 prepared on behalf of the participating hotel properties in Santa Clara’s Tourism Improvement District (TID) and in collaboration with the newly formed Destination Marketing Organization (DMO) – Silicon Valley/Santa Clara DMO, Inc. on the use of revenues collected from the TID.

**Background**

The existing TID was formed in 2005 pursuant to the Parking and Business Improvement Law of 1989. City Council approved the establishment of the TID and the levy of a \$1.00 assessment fee on each occupied hotel/motel room in the established district boundaries. The TID now includes 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 funding with the participating hotels self-assessing a fee in order to effectivity market Santa Clara as a convention and visitors’ destination.
- The hotels began collecting the TID assessment on February 14, 2005
- Collection FY 2019/20: \$718,616
- Forecasted Collection FY 2020/21: \$150,000
- Estimated fund balance at year-end FY 2020/21: \$1.40 million

Actual FY 2018/19	Actual FY 2019/20	Estimated FY 2020/21*	Forecasted FY 2021/22
\$660,711	\$718,616	\$150,000	\$610,936

\*FY 2020/21 collections is an estimate based on collections through March 31, 2021; demonstrates the continued effects of COVID-19.

The TID Advisory Board, upon Council approval of a TID budget, currently directs the spending of the TID funds, in collaboration with the newly created DMO “Silicon Valley/Santa Clara DMO, Inc.” (SVSC DMO). The SVSC DMO is the official designated Destination Marketing Organization for the City of Santa Clara. The attached report outlines the results for FY 2020/21.

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

April 28, 2021

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 District's (TID) FY 2020/21 activities and FY 2021/22 goals.

To support the newly formed Destination Marketing Organization (DMO) with selling and marketing Santa Clara to high impact convention center groups, the TID is now the primary funding source for the convention sales and marketing efforts.

There are currently 11 hotels in the TID. The hotels surround the Santa Clara Convention Center and include AC Santa Clara, Avatar Hotel (re-branding), Biltmore Hotel & Suites, Element, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara, The Plaza Suites, and TownePlace Suites by Marriott. Each participating hotel is currently assessed \$1.00 per occupied room night and is excited to have Council's support for the conversion process to establish the district under the Property and Business Improvement District Law of 1994. This conversion along with changing to a percent assessment, 1.5% of gross revenue with the possibility to increase to 2% of gross revenue in year two pending Council's approval, only strengthens the DMO's efforts to successfully market and sell Santa Clara as a destination and the Convention Center as a premier meetings venue. The new funding model will provide for increased funding to directly support sales, marketing, and promotional efforts with the goal of increasing hotel occupancy in the district, generating revenue for the Convention Center and driving overall spending into the local Santa Clara economy.

Below is a recap of FY 2020/21 year-to-date efforts through April 17, 2021.

### **Key Accomplishments**

The current fiscal year has been dedicated to launching the newly formed DMO "Silicon Valley/Santa Clara DMO, Inc." including establishing nine (9) KPI's, systems of governance, establishing new policies, finalizing the most impactful marketing approach, hiring a sales contractor and administrative assistant to launch the sales efforts targeting high impact conventions, and, in collaboration with the TID hotels, Spectra, Levy and the City, proposing a FY 2021/22 Operating Budget that will help set the DMO up for future success.

The following are key accomplishments of FY 2020/21:

1. Established a highly functional Board of Directors with strategic representation and professional knowledge base.
2. Performed a risk assessment and identified and contracted for insurance coverage for the DMO operation.
3. Solicited, identified, and contracted accounting services for the DMO operation.

4. Contracted and implemented a Customer Relationship Management software platform for all of the group sales efforts including Spectra, Levy and the DMO. This also includes direct access and transparency for the TID Hotels.
5. Reconfirmed, through a hotel survey, the number of hotel rooms the TID hotels will allocate for conventions coming to Santa Clara. This will guide sales strategies as it relates to securing high impact conventions for the Santa Clara Convention Center and Santa Clara hotels.
6. Hired a President & CEO on November 16, 2020.
7. Developed a COVID-19 based strategy for securing conventions in the near term. This was developed in collaboration with the DMO, Spectra, Levy and the TID hotels. This will be followed, as we collectively navigate through the pandemic. This strategy sets the course for the DMO to selling the Santa Clara Convention Center for high impact conventions into the years ahead while the Spectra sales efforts focus on shorter lead time users.
8. Collaborated with above mentioned partners in the development of the DMO's FY 2020/21 Proposed Budget.
9. Developed an industry specific Profit and Loss (P&L) reporting format for the current operating year FY 2020/21.
10. Gathered support for the conversion of the district and the development of the TID Management District Plan which allowed the TID hotels to devise and "vote" for a future funding 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.
11. Developed Santa Clara focused position descriptions and recruitment strategies for proposed Sales Manager and Director of Sales positions in the upcoming year.
12. Initiated a bi-weekly sales meeting and reporting structure that integrates the activities of the DMO, Spectra (Center) and Levy (Food Service provider at the Center).
13. Initiated the development of a new customer focused high impact Convention Proposal Presentation for key decision makers.
14. Contracted and engaged with Destinations International, the nationally recognized DMO association, for support and use of a recognized economic impact reporting tool.
15. Evolved the DMO organizational chart to reflect a new approach to marketing with position-by-position descriptions to support a sustainable DMO operation into the future.
16. Conducted research and identified the new DMO naming standard "Discover Santa Clara" that aligns well with launching our new direction and reaching new audiences. We have initiated the official registration of this new name (wordmark/trademark).
17. Created an industry tradeshow calendar with a targeted list of client-based tradeshow to attend in the upcoming year. Participation in these shows will attract new prospective high-profile convention clients.
18. Developed new approaches to engage Levi's Stadium and California's Great America in the selling process to attract new, prospective convention business.
19. Developed an approach with a nationally recognized meetings search engine (CVENT) to raise awareness and uncover new business for Santa Clara as a meetings and convention destination.
20. Completed a targeted framework for future success in marketing Santa Clara as a meetings and convention destination to be utilized by a marketing firm. An RFP process was launched to identify a marketing firm with specific experience and knowledge in the convention and meetings industry.
21. Successfully launched efforts to identify new opportunities to attract high impact conventions and gain invaluable insight from clients on how we position our services and unique seamless approach to differentiate us from others.

This is the 16<sup>th</sup> year of operation for the TID and we are very energized over the direction that we have helped to develop. This direction emphasizes focus and accountability from the DMO in collaboration with Spectra, Levy, the City and the TID hotels. Our work over the past years has been successful in developing a highly competitive customer-focused model and we are pleased with the early results. Future years and the sustainability of this model will be highly dependent on the successful conversion of the TID including the proposed percent model funding structure.

Sincerely,

Eron Hodges  
TID Advisory Board Chair  
SVSC DMO Board Chair

Attachment:

A. DMO FY 2021/22 Proposed Budget

DRAFT



**Date:** April 28, 2021

**To:** Silicon Valley/Santa Clara DMO, Inc. Board of Directors

**From:** Nancy Thome, Assistant to the City Manager

**Subject:** Silicon Valley/Santa Clara DMO, Inc. FY 2021/22 Proposed Budget (Revised)

This summary has been prepared for the Silicon Valley/Santa Clara DMO, Inc. Board of Directors to provide an overview of the FY 2021/22 proposed budget and the proposed changes from the current year adopted budget.

**Background**

The Silicon Valley/Santa Clara DMO, Inc. (DMO) is funded by the lodging business of the Santa Clara Tourism Improvement District (TID) pursuant to the Parking and Business Improvement Law of 1989. The existing TID was formed in 2005 and hotels located with the TID boundaries assess \$1.00 from lodging guests for each occupied room night. The TID currently includes 11 hotels near the Santa Clara Convention Center: AC Hotel Santa Clara, Avatar Hotel, Biltmore Hotel & Suites, Element Santa Clara, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara, The Plaza Suites, and TownePlace Suites by Marriott. TID funds are collected and maintained by the City. The City distributes funds to the TID/DMO exclusively for activities and costs related to the establishment of the DMO including but not limited to legal services, insurance, hiring staff and related administrative program costs. The diagram below demonstrates the approved governance structure and relationship between the City, TID and DMO.



The FY 2020/21 beginning TID fund balance was \$1.66 million, and the current year adopted budget is \$1,321,060. As of April 28, 2021, the DMO is approximately 21% expended and is estimated to be approximately 27% expended by the end of the fiscal year. Of the four positions included in the budget, only the CEO vacancy was filled (November 2020) and funds were expended as needed for costs related to legal, fiscal, IT and payroll, insurance, CEO salary and benefits, equipment, memberships, and office supplies, website maintenance and sales management software, and professional contract costs related to the TID conversion process (Civitas) and continued DMO organizational development (JLL). The FY 2020/21 year-end fund balance is estimated at \$1.4 million.

Revenues for the FY 2021/22 were conservatively estimated at \$610,936 as the economy begins to recover from the COVID-19 pandemic. Due to the unprecedented nature of the COVID-19 pandemic, this is an estimation based on available data and may be subject to change.

<b>FY 2020/21 Estimated Fund Balance</b>	<b>FY 2021/22 Projected Revenue</b>	<b>FY 2021/22 Available Funds</b>
<b>\$1,400,000</b>	<b>\$610,936</b>	<b>\$2,010,936</b>

**Budget Summary**

The current year adopted budget includes funds for on-going operating expenditures and for one-time expenditures. One-time expenditures include: TID hotel reimbursements for FY 2018/19 for consultant costs related to the incorporation of Visit Santa Clara and updating its bylaws, start-up costs related to the purchase of computers and hardware, and contract services related to the TID conversion process. The current year adopted budget also includes four full-time equivalent (FTE) staff: 1.0 Chief Executive Officer, 1.0 Director of Sales, 1.0 Sales Manager and 1.0 Marketing Manager.

The proposed FY 2021/22 budget does not differentiate any one-time expenditures, includes the addition of 1.0 FTE and adjustments in personnel and non-personnel costs primarily due to identified need for administrative support and a realigned approach in engaging a marketing firm. The overall increase in the FY 2021/22 budget dollars from the current operating budget is \$42,942.

<b>Position</b>	<b>FY 2020/21 Adopted</b>	<b>FY 2021/22 Proposed</b>	<b>Change</b>
Chief Executive Officer	1	1	0
Director of Sales	1	1	0
Sales Manager	1	2	1
Marketing Manager	1	0	(1)
Administrative Assistant	0	1	1
<b>TOTAL FTE</b>	<b>4</b>	<b>5</b>	<b>1</b>

	<b>FY 2020/21 Adopted</b>	<b>FY 2021/22 Proposed</b>	<b>Variance +/( -)</b>	<b>FY 2021/22 Change %</b>
Personnel	\$769,900	\$725,627	(\$44,273)	(5.75%)

Non-Personnel	\$477,160	\$564,375	\$87,215	18.28%
<b>Total Operating Budget</b>	<b>\$1,247,060</b>	<b>\$1,290,002</b>	<b>\$42,942</b>	<b>3.44%</b>

FY 2020/21 One-Time Expenditures	FY 2021/22 One-Time Expenditures	Variance +/-	FY 2021/22 Change %
\$74,000	\$-	(\$74,000)	(100%)

The DMO budget is organized into five program areas: Convention Sales, Incentives & Services, Marketing & Communications, Administration, Contingency and City Administration.

### Convention Sales, Incentives & Services

The Convention Sales, Incentives, and Services Program promotes sales activity for the booking of high-profile Convention Center events, generation of Convention Center revenue and increased room night sales from Convention Center attendees. The budget is dedicated to sales activities to attract new meetings, conventions, sporting, and other events that have a significant impact on the Center's fiscal performance and assessed lodging business room demand in the TID. This program also includes client incentives/subsidies to attract new marquee events and conventions that have not previously hosted an event at the Convention Center.

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>			
<b>Positions</b>			
Director of Sales	1	1	0
Sales Manager	1	2	1
<b>Personnel</b>	<b>\$325,000</b>	<b>\$397,255</b>	<b>\$72,255</b>
Salary	\$152,500	\$277,500	\$125,000
Incentives	\$97,500	\$69,375	(\$28,125)
Benefits	\$75,000	\$27,060	(\$47,940)
Payroll Taxes	\$ -	\$22,000	\$22,000
Other-Cell Phone Stipend	\$-	\$1,320	\$1,320
<b>Convention Sales, Incentives &amp; Services Expenses</b>	<b>\$164,160</b>	<b>\$155,698</b>	<b>(\$8,624)</b>
Memberships	\$ -	\$2,825	\$2,825
Subscription Services	\$2,500	\$31,473	\$28,973
Business Development	\$64,160	\$50,000	(\$14,160)
Conferences and Tradeshows	\$25,000	\$8,900	(\$16,100)
Support Services	\$57,500	\$42,500	(\$15,000)
Travel & Entertainment	\$15,000	\$20,000	\$5,000
<b>TOTAL</b>	<b>\$489,160</b>	<b>\$552,953</b>	<b>\$63,793</b>

Proposed Personnel budget changes:

- 1.0 Sales Manager was added to further support sales efforts and proposed sales performance targets.
- Salary budget per sales position was increased to provide a competitive industry wage and to reflect the additional Sales Manager position. Both Sales Manager positions will



begin July 1. The Director of Sales will not be brought on until October 2021 and is budgeted at 75% of proposed annual base salary.

- Incentives budget was reduced by \$28k to help offset the increase in salary costs and will include a maximum payout of 25% of the employee base salary. A detailed sales performance plan will also be developed and approved by the Board prior to the adoption of an incentive plan and the expenditure of any incentive funds.
- Benefits budget was reduced by \$48k as only health benefits are recognized. Payroll taxes and workers compensation are accounted for separately.
- \$23k was added for Payroll Taxes and employee cell phone stipends.

Proposed Non-Personnel budget changes:

- \$2,825 was added for six employee industry organization memberships: Professional Convention Management Association (PCMA), Meeting Professional International (MPI), and California Society of Association Executives (CalSAE).
- \$31k was added to support CVENT marketing and lead generation subscription services. The CVENT subscription was approved by the Board on April 15<sup>th</sup>.
- Business Development (previously Client Incentives) budget was reduced by \$14k. Business Development budget will be used per the established TID subsidy process for in the year for the year spending for business development and/or customer event support such as transportation.
- Conferences & Tradeshows budget was reduced by \$16k. This budget will cover costs for registration, exhibitor/booth and set-up, shipping, etc. at five client-based association events: PCMA, MPI, CalSAE, and CONNECT as exhibitors and IMEX as a participant. Per the IMEX website, attendee registration is free of charge.
- Site Tours budget was reduced by \$14k and is used for bringing potential clients to tour the Santa Clara, TID hotels and the Convention Center. Budget would cover costs related costs: local transportation, food and beverage, venue rental, etc.
- \$5k was added to the Travel & Entertainment budget to support employee travel costs to attend the five conferences/tradeshows mentioned above: PCMA, MPI, CalSAE, CONNECT and IMEX, and for sales trips. This includes airfare, hotel, per diem food costs, mileage, and client entertainment.

**Marketing & Communication**

The Marketing & Communication Program will promote Santa Clara, the Convention Center and the assessed lodging businesses as a convention, meeting, and event destination. The Program will have a central theme of promoting the destination as a desirable place for overnight meeting and convention attendees and will have the goal of increasing overnight visitation, Convention Center revenue, and room night sales at assessed lodging businesses,

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance
<b>MARKETING &amp; COMMUNICATIONS</b>			
<b>Positions</b>			
Marketing Manager	1	0	(1)
<b>Personnel</b>	<b>\$90,000</b>	<b>\$-</b>	<b>(\$90,000)</b>

Salary	\$63,000	\$-	(\$63,000)
Benefits	\$27,000	\$-	(\$27,000)
<b>Marketing Expenses</b>	<b>\$110,000</b>	<b>\$175,000</b>	<b>\$65,000</b>
Contract Services	\$60,000	\$150,000	\$90,000
Advertising & Promotions	\$-	\$25,000	\$25,000
Website	\$50,000	\$-	(\$50,000)
<b>TOTAL</b>	<b>\$200,000</b>	<b>\$175,000</b>	<b>(\$25,000)</b>

Proposed Personnel budget changes:

- Elimination of 1.0 Marketing Manager position reducing Personnel budget by \$90k. Funds were moved to non-personnel budget to support Contract Services for a Marketing firm.

Proposed Non-Personnel budget changes:

- Budget categories were restructured, and marketing services, branding and website development are included within the Contract Services budget.
- \$90k from the elimination of 1 FTE was added to Contract Services.
- \$25k budget was added for marketing collateral, give-away items, advertising, banners.

**Administration**

Administration provides management, coordination and support to all organizational services and functions. Administration is responsible for the general oversight and fiscal health of the organization and budget will be used to support CEO and administrative staffing costs, office costs, policy development, and other general administrative costs such as insurance, legal, accounting and IT.

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance
<b>ADMINISTRATION</b>			
<b>Positions</b>			
Chief Executive Officer	1	1	0
Administrative Assistant	0	1	1
<b>Personnel</b>	<b>\$354,900</b>	<b>\$328,372</b>	<b>(\$26,528)</b>
Salary	\$210,000	\$285,000	\$75,000
Incentives	\$63,000	\$-	(\$63,000)
Benefits	\$81,900	\$20,806	(\$61,094)
Payroll Taxes	\$-	\$21,606	\$21,606
Other-Cell Phone Stipend	\$-	\$960	\$960
<b>Administrative Expenses</b>	<b>\$150,000</b>	<b>\$206,458</b>	<b>\$56,458</b>
Contract Services	\$80,000	\$155,876	\$75,876
Operating Supplies	\$20,000	\$24,400	\$4,400
Insurance	\$50,000	\$8,610	(\$41,390)
Memberships	\$-	\$1,047	\$1,047
Subscription Services	\$-	\$16,525	\$16,525
<b>TOTAL</b>	<b>\$504,900</b>	<b>\$534,830</b>	<b>\$29,930</b>

Proposed Personnel budget changes:

- Addition of 1.0 Administrative Assistant to provide full-time administrative support the organization increasing the Salary budget by \$70k. The DMO currently contracts with a temp. agency for a part-time Administrative Assistant and has been determined as a much-needed support function for the organization.
- \$5k was added to the CEO salary to reflect the current CEO salary.
- The CEO Incentive budget for FY 2021/22 was eliminated as a recognition of the challenges associated with COVID-19. The CEO position will continue focus on sales efforts and performance targets and the continued development of organization policies and processes. The Incentives budget will be re-evaluated for FY 2022/23. The Administrative Assistant does not earn incentive.
- Benefits budget was reduced by \$61k as only health benefits are offered at this time.
- \$23k was added for Payroll Taxes and employee cell phone stipends.

Proposed Non-Personnel budget changes:

- Contract Services includes budget for HR, fiscal, legal, payroll, professional, IT and audit services. Overall, the Payroll budget was reduced by \$11k which helped to offset a \$4k increase for legal and the addition of \$60k for a new professional services contract with JLL. \$5k was added to the Audit budget and moved from Operating Supplies to Contract Services.
- Operating supplies budget includes costs to purchase four new computers. In the current adopted budget, these costs were approved as one-time expenditures rather than included in the operating budget.
- \$17k was added to Subscription Services for the DMO current Customer Relationship Management (CRM) system and Destination Internationals Event Impact Calculator.

**Contingency**

The DMO budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administrative or renewal costs at the discretion of the DMO Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund will be developed and set by the DMO Board. Contingency funds may be spent on unanticipated short-term district programs or administrative and renewal costs in such proportions as determined by the DMO Board and may be used for the costs of renewing the SCTID.

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance
<b>Contingency</b>	<b>\$50,000</b>	<b>\$15,000</b>	<b>(\$35,000)</b>

**City Administration**

In FY 2021/22, the City of Santa Clara will be paid a fee equal to 2% of the amount of the assessment collected to cover its costs of collection and administration which may include but are not limited to: staffing costs, legal services, and operational costs for rent, telephone, supplies, postage, and other general office expenses.

<b>Budget Item</b>	<b>FY 2020/21 Adopted</b>	<b>FY 2021/22 Proposed</b>	<b>FY 2021/22 Variance</b>
<b>City Administration Fee</b>	<b>\$3,000</b>	<b>\$12,219</b>	<b>\$9,219</b>

The proposed budgeted was calculated using the FY 2021/22 projected revenue amount of \$610,936 as indicated in the SCTID Management District Plan. This amount will vary depending on the actual revenue received.

- Attachments:
- A. DMO FY 2021/22 Proposed Budget
  - B. DMO FY 2021/22 Proposed Budget Detail

**ATTACHMENT A**

<b>DMO FY 2021/22 Proposed Budget</b>			
<b>Budget Item</b>	<b>FY 2020/21 Adopted</b>	<b>FY 2021/22 Proposed</b>	<b>FY 2021/22 Variance</b>
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>			
<b>Personnel</b>	<b>\$ 325,000</b>	<b>\$ 397,255</b>	<b>\$ 72,255</b>
Salary	\$ 152,500	\$ 277,500	\$ 125,000
1.0 FTE Director of Sales	\$ -	\$ 97,500	\$ 97,500
1.0 FTE Sales Manager	\$ -	\$ 90,000	\$ 90,000
1.0 FTE Sales Manager	\$ -	\$ 90,000	\$ 90,000
Incentives	\$ 97,500	\$ 69,375	\$ (28,125)
Benefits	\$ 75,000	\$ 27,060	\$ (47,940)
Health	\$ 75,000	\$ 26,400	\$ (48,600)
401K Fee	\$ -	\$ 660	\$ 660
Payroll Taxes	\$ -	\$ 22,000	\$ 22,000
Other-Cell Phone Stipend		\$ 1,320	\$ 1,320
<b>Convention Sales, Incentives &amp; Services Expenses</b>	<b>\$ 164,160</b>	<b>\$ 155,698</b>	<b>\$ (8,462)</b>
Memberships	\$ -	\$ 2,825	\$ 2,825
Professional Convention Management Association (PCMA)	\$ -	\$ 1,000	\$ 1,000
Meeting Professional International (MPI)	\$ -	\$ 1,125	\$ 1,125
California Society of Association Executives (Cal SAE)	\$ -	\$ 700	\$ 700
Subscription Services	\$ 2,500	\$ 31,473	\$ 28,973
CVENT	\$ -	\$ 31,473	\$ 31,473
Client Incentives	\$ 64,160	\$ 50,000	\$ (14,160)
Conferences and Tradeshows	\$ 25,000	\$ 8,900	\$ (16,100)
MPI ACE/WEC	\$ -	\$ 1,500	\$ 1,500
CALSAE	\$ -	\$ 2,400	\$ 2,400
CONNECT	\$ -	\$ 5,000	\$ 5,000
IMEX	\$ -	\$ -	\$ -
Support Services	\$ 57,500	\$ 42,500	\$ (15,000)
Site Tours	\$ 19,000	\$ 5,000	\$ (14,000)
Familiarization Trips	\$ 19,500	\$ 20,000	\$ 500
Client Events	\$ 19,000	\$ 17,500	\$ (1,500)
Travel & Entertainment	\$ 15,000	\$ 20,000	\$ 5,000
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$ 489,160</b>	<b>\$ 552,953</b>	<b>\$ 63,793</b>
<b>MARKETING &amp; COMMUNICATIONS</b>			
<b>Personnel</b>	<b>\$ 90,000</b>	<b>\$ -</b>	<b>\$ (90,000)</b>
Salary	\$ 63,000	\$ -	\$ (63,000)
Benefits	\$ 27,000	\$ -	\$ (27,000)
<b>Marketing Expenses</b>	<b>\$ 110,000</b>	<b>\$ 175,000</b>	<b>\$ 65,000</b>
Contract Services	\$ 60,000	\$ 150,000	\$ 90,000
Marketing Services	\$ -	\$ 100,000	\$ 100,000
Branding	\$ -	\$ 28,000	\$ 28,000
Website	\$ -	\$ 22,000	\$ 22,000
Advertising & Promotions	\$ -	\$ 25,000	\$ 25,000
Website	\$ 50,000	\$ -	\$ (50,000)
Website maintenance	\$ 24,000	\$ -	\$ (24,000)
Development	\$ 26,000	\$ -	\$ (26,000)
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$ 200,000</b>	<b>\$ 175,000</b>	<b>\$ (25,000)</b>
<b>ADMINISTRATION</b>			
<b>Personnel</b>	<b>\$ 354,900</b>	<b>\$ 328,372</b>	<b>\$ (26,528)</b>
Salary	\$ 210,000	\$ 285,000	\$ 75,000
1.0 FTE CEO	\$ 210,000	\$ 215,000	\$ 5,000
1.0 FTE Administrative Assistant	\$ -	\$ 70,000	\$ 70,000

## DMO FY 2021/22 Proposed Budget

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance
Incentives	\$ 63,000	\$ -	\$ (63,000)
Benefits	\$ 81,900	\$ 20,806	\$ (61,094)
Health	\$ 81,900	\$ 20,366	
401K Fee	\$ -	\$ 440	\$ 440
Payroll Taxes	\$ -	\$ 21,606	\$ 21,606
Other-Cell Phone Stipend	\$ -	\$ 960	\$ 960
<b>Administrative Expenses</b>	<b>\$ 150,000</b>	<b>\$ 206,458</b>	<b>\$ 56,458</b>
Contract Services	\$ 80,000	\$ 155,876	\$ 75,876
Human Resources	\$ 30,000	\$ 30,000	\$ -
Fiscal	\$ 15,000	\$ 17,000	\$ 2,000
Legal	\$ 20,000	\$ 24,000	\$ 4,000
Payroll	\$ 15,000	\$ 4,500	\$ (10,500)
Professional Services	\$ -	\$ 60,000	\$ 60,000
IT	\$ -	\$ 5,376	\$ 5,376
Audit	\$ -	\$ 15,000	\$ 15,000
Operating Supplies	\$ 20,000	\$ 24,400	\$ 4,400
Audit	\$ 10,000	\$ -	\$ (10,000)
Network Support	\$ 5,000	\$ -	\$ (5,000)
Purchased Goods & Services	\$ 5,000	\$ -	\$ (5,000)
Office supplies	\$ -	\$ 5,000	\$ 5,000
Software Licenses	\$ -	\$ 3,500	\$ 3,500
Postage	\$ -	\$ 300	\$ 300
Computers-Hardware	\$ -	\$ 15,600	\$ 15,600
Insurance	\$ 50,000	\$ 8,610	\$ (41,390)
Workers Comp	\$ -	\$ 3,078	\$ 3,078
Business Owners Liability & Property	\$ -	\$ 1,597	\$ 1,597
Professional Cyber Liability	\$ -	\$ 1,839	\$ 1,839
Management Liability	\$ -	\$ 2,096	\$ 2,096
Memberships	\$ -	\$ 1,047	\$ 1,047
Destinations International	\$ -	\$ 1,047	\$ 1,047
Subscription Services	\$ -	\$ 16,525	\$ 16,525
CRM System (Simpleview)	\$ -	\$ 8,200	\$ 8,200
Annual Subscription	\$ -	\$ 6,000	\$ 6,000
Add-Ons	\$ -	\$ 2,200	\$ 2,200
Destinations International	\$ -	\$ 7,725	\$ 7,725
Trade Journals/Newspapers	\$ -	\$ 600	\$ 600
<b>TOTAL ADMINISTRATION</b>	<b>\$ 504,900</b>	<b>\$ 534,830</b>	<b>\$ 29,930</b>
<b>Contingency</b>	<b>\$ 50,000</b>	<b>\$ 15,000</b>	<b>\$ (35,000)</b>
<b>City Administration Fee</b>	<b>\$ 3,000</b>	<b>\$ 12,219</b>	<b>\$ 9,219</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,247,060</b>	<b>\$ 1,290,002</b>	<b>\$ 42,942</b>

## ATTACHMENT B

### DMO FY 2021/22 Proposed Budget - Detail

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance	
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>				
<b>Personnel</b>	<b>\$ 325,000</b>	<b>\$ 397,255</b>	<b>\$ 72,255</b>	
Salary	\$ 152,500	\$ 277,500	\$ 125,000	Addition of 1.0 sales manager to further support sales efforts and proposed sales performance targets.
1.0 FTE Director of Sales	\$ -	\$ 97,500	\$ 97,500	This position would start in October. Full year salary is \$130,000.
1.0 FTE Sales Manager	\$ -	\$ 90,000	\$ 90,000	This position would start July 1 and a higher base with lower incentives. This a a competitive industry base salary and incentive pay is also an industry standard for sales positions.
1.0 FTE Sales Manager	\$ -	\$ 90,000	\$ 90,000	This position would start July 1 and a higher base with lower incentives. This a a competitive industry base salary and incentive pay is also an industry standard for sales positions.
Incentives	\$ 97,500	\$ 69,375	\$ (28,125)	Incentives are capped at 25% of base salary - Incentives process, performance based incentives/sales performance plans to be developed and approved by the Board prior to the expenditure of any Incentive funds. Incentives are not paid out to employees until KPIs are met.
Benefits	\$ 75,000	\$ 27,060	\$ (47,940)	Benefits were previously budget at approximately 30%. The proposed budget only recognizes health benefits.
Health	\$ 75,000	\$ 26,400		Benefits were previously budget at approximately 30%. The proposed budget only recognizes health benefits.
401K Fee	\$ -	\$ 660	\$ 660	This is a fee to set up 401K plan, budgeted in preparation for potential employee offering in FY 2021/22.
Payroll Taxes	\$ -	\$ 22,000	\$ 22,000	
Other-Cell Phone Stipend		\$ 1,320	\$ 1,320	\$40/month x 2 staff x 12 months = \$960; \$40/month x 1 staff x 9 months = \$360
<b>Convention Sales, Incentives &amp; Services Expenses</b>	<b>\$ 164,160</b>	<b>\$ 155,698</b>	<b>\$ (8,462)</b>	
Memberships	\$ -	\$ 2,825	\$ 2,825	Employee professional memberships.
Professional Convention Management Association (PCMA)	\$ -	\$ 1,000	\$ 1,000	\$485/person x 2 (CEO, DOS) + 3% = \$999.10
Meeting Professional International (MPI)	\$ -	\$ 1,125	\$ 1,125	\$545/person x 2 (DOS, SM) + 3% = \$1,122.70
California Society of Association Executives (Cal SAE)	\$ -	\$ 700	\$ 700	\$379 & \$299/person x 2 (DOS, SM) + 3% = \$698.34
Subscription Services	\$ 2,500	\$ 31,473	\$ 28,973	
CVENT	\$ -	\$ 31,473	\$ 31,473	For 2-Diamond listing lead generation system.
Business Development	\$ 64,160	\$ 50,000	\$ (14,160)	To be used used per the established TID subsidy process. In the year for the year spending / for business development, customer event support such as transportation.
Conferences and Tradeshows	\$ 25,000	\$ 8,900	\$ (16,100)	List of conference and tradeshows were reviewed and prioritized for the year.
MPI ACE/WEC	\$ -	\$ 1,500	\$ 1,500	Costs for staff registration as attendees to MPI events, not to host booth.
CALSAE	\$ -	\$ 2,400	\$ 2,400	Costs of registration, booth costs, set-up costs, shipping costs, etc.
CONNECT	\$ -	\$ 5,000	\$ 5,000	Costs of registration, booth costs, set-up costs, shipping costs, etc. (registration is \$4,450/per attendee for a show in Tampa, FL in late August, there is no expense for exhibiting as this is a reverse trade show/appointment show; attended by 1-person for year one.)
IMEX	\$ -	\$ -	\$ -	Staff participation as attendee. Per www.imexamerica.com/register, attendee registration is free of charge and open to industry professionals who work in meetings, events and incentive travel industry.
Support Services	\$ 57,500	\$ 42,500	\$ (15,000)	
Site Tours	\$ 19,000	\$ 5,000	\$ (14,000)	Costs to bring in clients to tour the Center: local transportation, food and beverage, venue rental, etc.
Familiarization Trips	\$ 19,500	\$ 20,000	\$ 500	Fam Trip: Hosted DMO events. DMO brings a select amount of customers, from a specific vertical/customer segment to the market where they can experience Santa Clara hotels, the Center, venues and attractions and to entertain and educate them on the destination. Estimate 2 events x 5 to 10 clients/event. Rooms and food & beverage are generally also hosted by the hotels and or attractions they are visiting. Additional contributions by hotels, attractions, etc. is an industry standard.
Client Events	\$ 19,000	\$ 17,500	\$ (1,500)	Client Event: Hosted DMO event at a location that customers come to; usually with a primary purpose to entertain and thank clients for their business/future business; estimated 1 event x < 20 clients.
Travel & Entertainment	\$ 15,000	\$ 20,000	\$ 5,000	Covers costs for employee and client entertainment for attendance at the four tradeshows as listed above and for sales trips as needed - Including airfare, hotel, food per diem, mileage, and related client per diem business entertainment costs.
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$ 489,160</b>	<b>\$ 552,953</b>	<b>\$ 63,793</b>	

**DMO FY 2021/22 Proposed Budget - Detail**

Budget Item	FY 2020/21 Adopted	FY 2021/22 Proposed	FY 2021/22 Variance	
<b>MARKETING &amp; COMMUNICATIONS</b>				
<b>Personnel</b>	<b>\$ 90,000</b>	<b>\$ -</b>	<b>\$ (90,000)</b>	Elimination of 1 FTE marketing manager in exchange for increase in Contract Services.
Salary	\$ 63,000	\$ -	\$ (63,000)	
Benefits	\$ 27,000	\$ -	\$ (27,000)	
<b>Marketing Expenses</b>	<b>\$ 110,000</b>	<b>\$ 175,000</b>	<b>\$ 65,000</b>	
Contract Services	\$ 60,000	\$ 150,000	\$ 90,000	
Marketing Services	\$ -	\$ 100,000	\$ 100,000	In the process of identifying professional marketing firm. Levy and Spectra will contribute to the agreement cost (\$30,000 and \$36,000) for a total amount of \$166,000 available annually.
Branding	\$ -	\$ 28,000	\$ 28,000	Branding development costs for "Discover Santa Clara".
Website	\$ -	\$ 22,000	\$ 22,000	Costs related to update current and/or create new "Discover Santa Clara" website.
Advertising & Promotions	\$ -	\$ 25,000	\$ 25,000	Hard costs for collateral expenses related to marketing, giveaways, advertising, banners, digital marketing, etc., translation, design services, etc.
Website	\$ 50,000	\$ -	\$ (50,000)	Line item moved under Contract Service
Website maintenance	\$ 24,000	\$ -	\$ (24,000)	Line item moved under Contract Service
Development	\$ 26,000	\$ -	\$ (26,000)	Line item moved under Contract Service
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$ 200,000</b>	<b>\$ 175,000</b>	<b>\$ (25,000)</b>	
<b>ADMINISTRATION</b>				
<b>Personnel</b>	<b>\$ 354,900</b>	<b>\$ 328,372</b>	<b>\$ (26,528)</b>	
Salary	\$ 210,000	\$ 285,000	\$ 75,000	
1.0 FTE CEO	\$ 210,000	\$ 215,000	\$ 5,000	Proposed budget is the current CEO's base salary.
1.0 FTE Administrative Assistant	\$ -	\$ 70,000	\$ 70,000	Addition of 1 FTE Administrative Assistant position.
Incentives	\$ 63,000	\$ -	\$ (63,000)	Forgo CEO for FY 2021/22 and re-evaluate for FY 2022/23; Administrative Assistant does not have incentives.
Benefits	\$ 81,900	\$ 20,806	\$ (61,094)	Benefits were previously budget at approximately 30%. The proposed budget only recognizes health benefits.
Health	\$ 81,900	\$ 20,366		Benefits were previously budget at approximately 30%. The proposed budget only recognizes health benefits.
401K Fee	\$ -	\$ 440	\$ 440	This is a fee to set up 401K plan, budgeted in preparation for potential employee offering in FY 2021/22.
Payroll Taxes	\$ -	\$ 21,606	\$ 21,606	
Other-Cell Phone Stipend	\$ -	\$ 960	\$ 960	\$40/month x 2 staff x 12 months = \$960
<b>Administrative Expenses</b>	<b>\$ 150,000</b>	<b>\$ 206,458</b>	<b>\$ 56,458</b>	
Contract Services	\$ 80,000	\$ 155,876	\$ 75,876	
Human Resources	\$ 30,000	\$ 30,000	\$ -	HR-related administrative functions: recruitment, hiring and on-boarding coordination, policy development, compliance, etc.
Fiscal	\$ 15,000	\$ 17,000	\$ 2,000	Fugate Business Solutions = \$6,800; City Fiscal Sponsorship amount = \$9,487.20 (FY 2020/21 Rate) x 3% = \$9771.82; Total = \$16,572
Legal	\$ 20,000	\$ 24,000	\$ 4,000	Current service agreement with Thoits Law.
Payroll	\$ 15,000	\$ 4,500	\$ (10,500)	Paid directly out of Wells Fargo account - Employees for ADP payroll & HR plus; Employees 3-4 = \$150.95/pay period, additional = \$3.25/pay period: \$154.20 x 26 pay periods = \$4,009.20, plus W-2 fees, etc.
Professional Services	\$ -	\$ 60,000	\$ 60,000	JLL Agreement for ongoing organizational and leadership development.
IT	\$ -	\$ 5,376	\$ 5,376	Smart City
Audit	\$ -	\$ 15,000	\$ 15,000	Costs related to completion of annual audit requirements.
Operating Supplies	\$ 20,000	\$ 24,400	\$ 4,400	Line item was previously labelled Miscellaneous.
Audit	\$ 10,000	\$ -	\$ (10,000)	Line item was moved under Contract Services.
Network Support	\$ 5,000	\$ -	\$ (5,000)	
Purchased Goods & Services	\$ 5,000	\$ -	\$ (5,000)	
Office supplies	\$ -	\$ 5,000	\$ 5,000	
Software Licenses	\$ -	\$ 3,500	\$ 3,500	Microsoft Office 365 = \$600; Adobe, Copytrans = \$640; Zoom = \$2,000
Postage	\$ -	\$ 300	\$ 300	
Computers-Hardware	\$ -	\$ 15,600	\$ 15,600	Estimated cost of \$3,900 x 4 staff
Insurance	\$ 50,000	\$ 8,610	\$ (41,390)	CEO confirmed FY 2021/22 costs with Vantreo.
Workers Comp	\$ -	\$ 3,078	\$ 3,078	
Business Owners Liability & Property	\$ -	\$ 1,597	\$ 1,597	
Professional Cyber Liability	\$ -	\$ 1,839	\$ 1,839	



**DMO FY 2021/22 Proposed Budget - Detail**

<b>Budget Item</b>	<b>FY 2020/21 Adopted</b>	<b>FY 2021/22 Proposed</b>	<b>FY 2021/22 Variance</b>	
Management Liability	\$ -	\$ 2,096	\$ 2,096	
Memberships	\$ -	\$ 1,047	\$ 1,047	
Destinations International	\$ -	\$ 1,047	\$ 1,047	Supports cost for currently existing organizational membership.
Subscription Services	\$ -	\$ 16,525	\$ 16,525	
CRM System (Simpleview)	\$ -	\$ 8,200	\$ 8,200	Supports costs for centralized Customer Relations Management (CRM) System used/accessible to DMO, Spectra, Levy and TID Hotels.
Annual Subscription	\$ -	\$ 6,000	\$ 6,000	CRM monthly user fee: \$200/month for 1st user; \$100/month for additional users: 4 users.
Add-Ons	\$ -	\$ 2,200	\$ 2,200	Ongoing EIC and CVENT Integration costs.
Destinations International	\$ -	\$ 7,725	\$ 7,725	Event Impact Calculator (EIC) - industry standard tool for measuring the economic impact - the level of the direct spending impact by groups attending events at the Center. Economic Impact is a KPI.
Trade Journals/Newspapers	\$ -	\$ 600	\$ 600	Silicon Valley Business Journal, LinkedIn, as needed.
<b>TOTAL ADMINISTRATION</b>	<b>\$ 504,900</b>	<b>\$ 534,830</b>	<b>\$ 29,930</b>	
<b>Contingency</b>	<b>\$ 50,000</b>	<b>\$ 15,000</b>	<b>\$ (35,000)</b>	Use of contingency funds for unanticipated program needs or other purposes requires Board approval.
<b>City Administration Fee</b>	<b>\$ 3,000</b>	<b>\$ 12,219</b>	<b>\$ 9,219</b>	This amount will vary as it is dependent on the amount collected.
<b>TOTAL OPERATING BUDGET</b>	<b>\$1,247,060</b>	<b>\$1,290,002</b>	<b>\$ 42,942</b>	