



DISCOVER SANTA CLARA™
BOARD OF DIRECTORS
SPECIAL MEETING AGENDA

March 31, 2022

4:30 p.m.

Virtual Meeting

Pursuant to the provisions of the California Governor’s Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of COVID-19, Discover Santa Clara™ has implemented methods for the public to participate remotely.

*The public can participate remotely via Zoom: <https://us06web.zoom.us/j/81836238480>
Meeting ID: 818 3623 8480 or by phone: 1 (669) 900-6833.*

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

For public comment on items not on the Agenda that is within the subject matter jurisdiction of the Board.

CONSENT AGENDA

Matters listed in the Consent Agenda section will be considered routine by the Board and will be enacted by one motion. There will be no separate discussion of the items on the Consent Calendar unless discussion is requested by a member of the Board, staff or public. If discussion is requested, that item will be removed from the section entitled Consent Agenda and will be considered under Consent Items Pulled for Discussion.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

This item is reserved for persons to address the Board on any matter not on the agenda that is within the subject matter jurisdiction of the Board. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The Board or staff may briefly respond to statements made or questions posed and may request staff to report back at a subsequent meeting.

GENERAL BUSINESS – ITEMS FOR DISCUSSION

1. Discussion and Action on the Proposed FY 2022/23 Operating Budget; and Discussion and Action on Potential Increase of the Santa Clara Tourism Improvement District Assessment to 2% for FY 2022/23.

Recommendation: Provide direction on the proposed FY 2022/23 Operating Budget and on the Santa Clara Tourism Improvement District Assessment for FY 2022/23.

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The next regular scheduled meeting is on April 21, 2022 at 3:00 p.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 Kelly Carr, KCarr@discoversantaclara.org prior to the meeting.

Notice to Public:

The public is welcomed and encouraged to participate in this meeting. Public comment (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"), Silicon Valley/Santa Clara DMO, Inc. 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. Silicon Valley/Santa Clara DMO, Inc. 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 Silicon Valley/Santa Clara DMO, Inc. programs, services, and activities. Silicon Valley/Santa Clara DMO, Inc. will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by Silicon Valley/Santa Clara DMO, Inc. in an appropriate alternative format. Contact DSCAdmin@discoversantaclara.org 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 Silicon Valley/Santa Clara DMO, Inc., should contact Kelly Carr, KCarr@discoversantaclara.org as soon as possible before the scheduled event.

ATTACHMENTS



Date: March 30, 2022

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 2022/23 Proposed Budget

This summary has been prepared for the Silicon Valley/Santa Clara DMO, Inc. Board of Directors Special Meeting on March 31, 2022 to provide an overview of the FY 2022/23 proposed budget and the proposed changes from the current year adopted budget. The information provided in this summary is unaudited and therefore subject to change.

BACKGROUND

The Santa Clara Tourism Improvement District was initially formed in 2005 pursuant to the Parking and Business Improvement Law of 1989 and includes 11 hotels near the Santa Clara Convention Center: AC Hotel Santa Clara, Avatar Hotel, Delta Santa Clara, Element Santa Clara, Embassy Suites, Hilton Santa Clara, Hyatt Centric Silicon Valley, Hyatt House, Hyatt Regency, Marriott Santa Clara, and TownePlace Suites by Marriott.

On May 25, 2021, at the request of the lodging businesses, City Council, pursuant to the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq., approved Resolution No. 21-8964 establishing the Santa Clara Tourism Improvement District (SCTID) to fund sales, marketing, and communications to market city of Santa Clara lodging business as tourist, meeting and event destinations, and other improvements and activities as set forth in the Management District Plan. The SCTID was authorized for a five-year term, July 1, 2021 – June 30, 2026.

SCTID activities are funded by a 1.5% assessment on gross short-term (30 days or less) room rentals (10 rooms or more) on lodging businesses and ensures funding for Silicon Valley/Santa Clara DMO, Inc. (DMO). The DMO serves as the SCTID's Owners' Association and coordinates the SCTID's administrative, sales and marketing efforts. The DMO is required to expend SCTID funds on sales, marketing, and other programs as authorized by the SCTID's Management District Plan and all activities are specifically designed to benefit lodging businesses paying the assessment. SCTID assessments are payable to the City of Santa Clara on a quarterly basis and the City currently serves as the DMO's fiscal sponsor.

A copy of the SCTID Management District Plan can be viewed at <https://www.santaclaraca.gov/our-city/departments-a-f/finance/tot-community-facilities-district-tax/tid-assessment>

FY 2021/22 FUND SUMMARY

The beginning FY 2021/21 fund balance was \$1.47 million, and the current year budget is \$1,356,002. The FY 2021/22 Operating Budget was adopted by the Board of Directors on April 27, 2021 and was subsequently amended on November 18, 2021. As of January 31, 2022, the DMO is 26% expended and has received \$512,232 in revenue. Two sales manager vacancies were filled (in October and November) and funds were expended related to legal, fiscal, IT, HR, temporary staffing, payroll, insurance, equipment, memberships, office supplies, website development and marketing. By the end of the Fiscal Year, the DMO is forecasted to be 47% expended with \$867,945 in revenues. The projected FY 2021/22 year-end fund balance is \$1.7 million.

FY 2022/23 FUND SUMMARY

FY 2021/22 Fund Balance	FY 2022/23 Projected Revenue	FY 2022/23 Reserves	FY 2022/23 Available Funds
\$1,704,831	\$1,240,623	\$678,001	\$2,267,453

Project revenue for FY 2022/23 is \$1.24 million. When combined with the FY 2021/22 estimated fund balance of \$1.7 million and the allocation of \$678,001 to the FY 2022/23 Reserve Fund, \$2.27 million in funds will be available for FY 2022/23.

Per Section 20 Reserve Policy of the Agreement for Destination Marketing Services Between the City of Santa Clara, California, and Silicon Valley/Santa Clara DMO, Inc., the “Contractor shall establish a Reserve Fund of no less than six (6) months of operating expenses based on the most currently approved Annual Budget.”

FY 2022/23 PROPOSED OPERATING BUDGET

The current operating budget includes five full-time equivalent (FTE) staff: 1.0 chief executive officer, 1.0 director of sales, 2.0 sales managers and 1.0 administrative assistant. The overall increase in the FY 2022/23 budget dollars from the current operating budget is \$335,581.

Position	FY 2021/22 Adopted	FY 2022/23 Proposed	Change
Chief Executive Officer	1	1	0
Director of Sales	1	1	0
Sales Manager	2	2	0
Administrative Assistant	1	-1	-1
Administrative Services Manager	0	1	1
TOTAL FTE	5	5	0

	FY 2021/23 Adopted	FY 2022/23 Proposed	Variance +/-	FY 2022/23 Change %
Personnel	\$725,627	\$934,044	\$208,714	28.72%
Non-Personnel	\$603,156	\$698,871	\$95,715	15.87%
Contingency	\$15,000	\$35,239	\$20,239	134.93%
City Administration Fee	\$12,219	\$23,429	\$11,210	91.74%
Total Operating Budget	\$1,356,002	\$1,691,583	\$335,581	24.75%

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 SCTID. 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 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance
CONVENTION SALES, INCENTIVES & SERVICES			
Positions			
Director of Sales	1	1	0
Sales Manager	2	2	0
Personnel	\$397,255	\$457,669	\$60,414
Salary	\$277,500	\$300,000	\$22,500
Incentives	\$69,375	\$75,000	\$5,625
Benefits	\$27,060	\$33,937	\$6,874
Payroll Taxes	\$22,000	\$44,415	\$22,415
Other-Cell Phone Stipend	\$1,320	\$1,320	\$-
Other-Relocation	\$-	\$3,000	\$3,000
Convention Sales, Incentives & Services	\$155,698	\$149,605	\$(6,593)
Expenses			
Business Development	\$50,000	\$50,000	\$-
Conferences and Tradeshows	\$8,900	\$20,700	\$11,800
Memberships	\$2,825	\$3,015	\$190
Mileage Reimbursement	\$-	\$500	\$500
Subscription Services	\$31,473	\$32,390	\$917
Support Services	\$42,500	\$36,000	\$(6,500)
Travel & Entertainment	\$20,000	\$7,000	\$(13,000)
TOTAL	\$552,953	\$607,274	\$53,821

Proposed Personnel budget changes:

- The sales managers and director of sales salaries were increased to provide a more competitive industry wage. The director of sales vacancy will not be filled until October 2022 and is budgeted at 75% of the proposed annual base salary.
- Incentives are budgeted at a maximum payout of 25% of the employee base salary. A detailed sales performance plan will be developed and approved by the Board prior to the adoption of an incentive plan and the expenditure of any incentive funds.
- The budget for health and dental benefits were reduced by \$7k and \$15k was added to account for 401k employer contributions.

- \$22k was added for Payroll Taxes.
- \$3k was added for Relocation.

Proposed Non-Personnel budget changes:

- \$11.8k was added to Conferences and Tradeshows for attendance to three events: Connect Marketplace, Connect Medical/Tech and IMEX North America. This budget will cover single registration costs only.
- \$500 was added for Mileage.
- Under Subscription Services, the CVENT level was reduced, and funds re-allocated to support a new contract with Knowland.
- Support Services was reduced by \$6,500. Planned services includes one client open house, a virtual happy hour event, client activations and personalized client greetings.
- The Travel & Entertainment budget was reduced by \$13,000 as travel to only three events are proposed.

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 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance
MARKETING & COMMUNICATIONS			
Positions			
Marketing Manager	0	0	0
Personnel	\$-	\$-	\$-
Salary	\$-	\$-	\$-
Benefits	\$-	\$-	\$-
Marketing Expenses	\$241,000	\$203,048	\$(37,952)
Advertising & Promotions	\$25,000	\$75,000	\$50,000
Contract Services	\$216,000	\$124,460	\$(91,540)
Software Licenses	\$-	\$3,588	\$3,588
TOTAL	\$241,000	\$203,048	\$(37,952)

Proposed Personnel budget changes:

- There are no proposed personnel changes.

Proposed Non-Personnel budget changes:

- \$50k was added for marketing collateral, giveaways, advertising, banners, exhibit costs, etc.
- With the completion of branding and new website development in the current year, contract services were reduced by \$91,500.
- \$3,588 was added for the purchase of and license for the digital newsletter/e-blasts.

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 2021/22 Adopted	FY 2022/23 Proposed	FY 2023/24 Variance
ADMINISTRATION			
Positions			
Chief Executive Officer	1	1	0
Administrative Assistant	0	-1	-1
Administrative Services Manager	0	1	1
Personnel	\$328,372	\$476,375	\$148,003
Salary	\$285,000	\$335,000	\$50,000
Incentives	\$-	\$52,500	\$52,500
Benefits	\$20,806	\$36,796	\$15,990
Payroll Taxes	\$21,606	\$46,119	\$24,513
Other-Cell Phone Stipend	\$960	\$960	\$-
Other-Relocation	\$-	\$5,000	\$5,000
Administrative Expenses	\$206,458	\$346,218	\$139,760
Contract Services	\$155,876	\$299,964	\$144,088
Insurance	\$8,610	\$11,737	\$3,127
Memberships	\$1,047	\$1,600	\$553
Mileage Reimbursement	\$-	\$500	\$500
Operating Supplies	\$24,400	\$14,777	\$(9,623)
Recruitment	\$-	\$500	\$500
Subscription Services	\$16,525	\$17,140	\$615
TOTAL	\$534,830	\$822,593	\$287,763

Proposed Personnel budget changes:

- Elimination of 1.0 Administrative Assistant and addition of 1.0 Administrative Services Manager to provide executive-level management support increasing the Salary by \$55k.
- \$53k was added for Incentives. In FY 2021/22, the CEO Incentive budget was eliminated in recognition of the challenges associated with COVID-19. The Administrative Services Manager does not earn incentive.
- Benefits budget increased by \$16,000 to account for 401k employer contributions.
- \$24k was added for Payroll Taxes.
- \$5k was added for Relocation.

Proposed Non-Personnel budget changes:

- Contract Services previously included budget for HR, fiscal, legal, payroll, professional, IT and audit services. Overall, the \$144,088 increase is a result of the addition of \$60k for temp. staffing services and \$75k for professional services provided by the City of Santa Clara. Additionally, \$14k was added to address increased costs in fiscal services.

- The Operating Supplies budget was reduced by \$10k as the purchase of new computers was completed in the current year.
- \$500 was added for Recruitment.

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.

Per the Management District Plan, Contingency is budgeted at 3% of the amount of the assessment collected.

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2023/24 Variance
Contingency	\$15,000	\$35,239	\$20,239

City Administration

The City of Santa Clara is paid a fee equal to 2% of the amount of the assessment collected by the lodging businesses 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.

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2023/24 Variance
City Administration Fee	\$12,219	\$23,429	\$11,210

The proposed budgeted was calculated using the FY 2022/23 projected revenue amount of \$1,174,623 as indicated in the SCTID Management District Plan. This amount will vary depending on the actual revenue received.

SUMMARY

The Proposed FY 2022/23 Operating Budget is \$1,691,583 and Proposed FY 2022/23 Reserve Fund Allocation is \$678,001.

Attachments:

- A. Silicon Valley/Santa Clara, DMO, Inc. Fund Summary
- B. DMO FY 2022/23 Proposed Budget
- C. DMO FY 2023/24 Proposed Budget Detail

ATTACHMENT A

Silicon Valley/Santa Clara, DMO, Inc. Fund Summary

DMO FUNDS	As of 07/01/2021	Transfer of Funds
City - TID Account	1,396,061	1,146,061
Wells Fargo Account	78,768	328,768
Total Beginning Fund Balance	1,474,829	1,474,829

	A	B	C	D	E	F
				2021/22 YTD thru 01/31/2022		
		2021/22 Adopted	2021/22 Amended		2021/22 Estimate	2022/23 Proposed
Beginning Fund Balance						
DMO Funds		1,474,829	1,474,829	1,474,829	1,474,829	1,026,830
DMO Reserves		-	-	-	-	678,001
Total Beginning Fund Balance		1,474,829	1,474,829	1,474,829	1,474,829	1,704,831
Total Revenue						
TID Assessment		610,936	610,936	444,287	800,000	1,174,623
Levy Marketing Investment		-	30,000	30,000	30,000	30,000
OVG360 Marketing Investment		-	36,000	36,000	36,000	36,000
Other Revenue		-	-	1,945	1,945	-
Total Revenue		610,936	676,936	512,232	867,945	1,240,623
Total Source of Funds		2,085,765	2,151,765	1,987,061	2,342,774	2,945,454
Expenditures						
Personnel		725,627	725,627	128,343	211,906	934,044
NonPersonnel		537,156	603,156	206,230	395,037	698,871
Contingency		15,000	15,000	2,651	15,000	35,239
City Administration Fee		12,219	12,219	8,886	16,000	23,429
Total Expenditures		1,290,002	1,356,002	346,110	637,943	1,691,583
Ending Fund Balance						
DMO Funds		795,763	795,763	1,640,951	1,704,831	575,870
DMO Reserves		-	-	-	-	678,001
Total Ending Fund Balance		795,763	795,763	1,640,951	1,704,831	1,253,871
Total Use of Funds		2,085,765	2,151,765	1,987,061	2,342,774	2,945,454

ATTACHMENT B

**Silicon Valley/Santa Clara DMO, Inc.
FY 2022/23 Proposed Budget**

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance
CONVENTION SALES, INCENTIVES & SERVICES			
Personnel	\$ 397,255	\$ 457,669	\$ 60,414
Salary	\$ 277,500	\$ 300,000	\$ 22,500
1.0 FTE Director of Sales	\$ 97,500	\$ 112,500	\$ 15,000
1.0 FTE Sales Manager	\$ 90,000	\$ 97,500	\$ 7,500
1.0 FTE Sales Manager	\$ 90,000	\$ 90,000	\$ -
Incentives	\$ 69,375	\$ 75,000	\$ 5,625
Benefits	\$ 27,060	\$ 33,934	\$ 6,874
Health & Dental	\$ 26,400	\$ 18,934	\$ (7,466)
401k	\$ 660	\$ 15,000	\$ 14,340
Payroll Taxes	\$ 22,000	\$ 44,415	\$ 22,415
Other-Cell Phone Stipend	\$ 1,320	\$ 1,320	\$ -
Other-Relocation	\$ -	\$ 3,000	\$ 3,000
Convention Sales, Incentives & Services Expenses	\$ 155,698	\$ 149,605	\$ (6,593)
Business Development	\$ 50,000	\$ 50,000	\$ -
Conferences and Tradeshows	\$ 8,900	\$ 20,700	\$ 11,800
Connect Marketplace	\$ 5,000	\$ 4,450	\$ (550)
California Society of Association Executives (Cal SAE)	\$ 2,400	\$ -	\$ (2,400)
Connect Medical/Tech	\$ -	\$ 4,450	\$ 4,450
IMEX North America	\$ -	\$ 11,800	\$ 11,800
MPI ACE/WEC	\$ 1,500	\$ -	\$ (1,500)
Memberships	\$ 2,825	\$ 3,015	\$ 190
California Society of Association Executives (Cal SAE)	\$ 700	\$ 350	\$ (350)
Meeting Professional International (MPI)	\$ 1,125	\$ 1,665	\$ 540
Professional Convention Management Association (PCMA)	\$ 1,000	\$ 1,000	\$ -
Mileage Reimbursement	\$ -	\$ 500	\$ 500
Subscription Services	\$ 31,473	\$ 32,390	\$ 917
CVENT	\$ 31,473	\$ 19,202	\$ (12,271)
Knowland	\$ -	\$ 13,188	\$ 13,188
Support Services	\$ 42,500	\$ 36,000	\$ (6,500)
Site Tours	\$ 5,000	\$ -	\$ (5,000)
Familiarization Trips	\$ 20,000	\$ -	\$ (20,000)
Client Events	\$ 17,500	\$ 28,000	\$ 10,500
Virutal Happy Hour	\$ -	\$ 2,000	\$ 2,000
Client Activations	\$ -	\$ 4,000	\$ 4,000
Personalized Greetings	\$ -	\$ 2,000	\$ 2,000
Travel & Entertainment	\$ 20,000	\$ 7,000	\$ (13,000)
Connect Marketplace	\$ -	\$ 2,800	\$ 2,800
IMEX North America	\$ -	\$ 1,900	\$ 1,900
Connect Medical/Tech	\$ -	\$ 2,300	\$ 2,300
TOTAL CONVENTION SALES, INCENTIVES & SERVICES	\$ 552,953	\$ 607,274	\$ 53,821
MARKETING & COMMUNICATIONS			
Personnel	\$ -	\$ -	\$ -
Salary	\$ -	\$ -	\$ -

Silicon Valley/Santa Clara DMO, Inc.
FY 2022/23 Proposed Budget

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance
Benefits	\$ -	\$ -	\$ -
Marketing Expenses	\$ 241,000	\$ 203,048	\$ (37,952)
Advertising & Promotions	\$ 25,000	\$ 75,000	\$ 50,000
Contract Services	\$ 216,000	\$ 124,460	\$ (91,540)
Marketing Consultant	\$ 166,000	\$ 110,000	\$ (56,000)
Branding	\$ 28,000	\$ -	\$ (28,000)
Website	\$ 22,000	\$ 14,460	\$ (7,540)
Software Licenses	\$ -	\$ 3,588	\$ 3,588
TOTAL MARKETING & COMMUNICATIONS	\$ 241,000	\$ 203,048	\$ (37,952)
ADMINISTRATION			
Personnel	\$ 328,372	\$ 476,375	\$ 148,003
Salary	\$ 285,000	\$ 335,000	\$ 50,000
1.0 FTE CEO	\$ 215,000	\$ 210,000	\$ (5,000)
1.0 FTE Administrative Services Manager	\$ 70,000	\$ 125,000	\$ 55,000
Incentives	\$ -	\$ 52,500	\$ 52,500
Benefits	\$ 20,806	\$ 36,796	\$ 15,990
Health & Dental	\$ 20,366	\$ 13,770	\$ (6,596)
401k	\$ 440	\$ 23,026	\$ 22,586
Payroll Taxes	\$ 21,606	\$ 46,119	\$ 24,513
Other-Cell Phone Stipend	\$ 960	\$ 960	\$ -
Other-Relocation	\$ -	\$ 5,000	\$ 5,000
Administrative Expenses	\$ 206,458	\$ 346,218	\$ 139,760
Contract Services	\$ 155,876	\$ 299,964	\$ 144,088
Audit	\$ 15,000	\$ 10,000	\$ (5,000)
Fiscal	\$ 17,000	\$ 30,904	\$ 13,904
Human Resources	\$ 30,000	\$ 30,000	\$ -
IT Services	\$ 5,376	\$ 4,000	\$ (1,376)
Legal	\$ 24,000	\$ 24,000	\$ -
Payroll	\$ 4,500	\$ 6,000	\$ 1,500
Professional Services	\$ 60,000	\$ 135,000	\$ 75,000
Temp. Staffing Services	\$ -	\$ 60,060	\$ 60,060
Insurance	\$ 8,610	\$ 11,737	\$ 3,127
Business Owners Liability & Property	\$ 1,597	\$ 1,800	\$ 203
Management Liability	\$ 2,096	\$ 5,000	\$ 2,904
Professional Cyber Liability	\$ 1,839	\$ 3,085	\$ 1,246
Workers Comp	\$ 3,078	\$ 1,852	\$ (1,226)
Memberships	\$ 1,047	\$ 1,600	\$ 553
Destinations International	\$ 1,047	\$ 1,600	\$ 553
Mileage Reimbursement	\$ -	\$ 500	\$ 500
Operating Supplies	\$ 24,400	\$ 14,777	\$ (9,623)
Bank Fees	\$ -	\$ 500	\$ 500
Computers-Hardware	\$ 15,600	\$ 5,000	\$ (10,600)
Licenses	\$ -	\$ 100	\$ 100
Office supplies	\$ 5,000	\$ 5,000	\$ -

Silicon Valley/Santa Clara DMO, Inc.
FY 2022/23 Proposed Budget

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance
Postage	\$ 300	\$ 300	\$ -
Software Licenses	\$ 3,500	\$ 3,877	\$ 377
Recruitment	\$ -	\$ 500	\$ 500
Subscription Services	\$ 16,525	\$ 17,140	\$ 615
CRM System	\$ 8,200	\$ 9,800	\$ 1,600
Annual Subscription	\$ 6,000	\$ 9,800	\$ 3,800
Add-Ons	\$ 2,200	\$ -	\$ (2,200)
Destinations International	\$ 7,725	\$ 7,340	\$ (385)
Trade Journals/Newspapers	\$ 600	\$ -	\$ (600)
TOTAL ADMINISTRATION	\$ 534,830	\$ 822,593	\$ 287,763
CONTINGENCY	\$ 15,000	\$ 35,239	\$ 20,239
CITY ADMINISTRATION FEE	\$ 12,219	\$ 23,429	\$ 11,210
TOTAL OPERATING BUDGET	\$ 1,356,002	\$ 1,691,583	\$ 335,081

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	Variance + / (-)
Personnel	\$ 725,627	\$ 934,044	\$ 208,417
NonPersonnel	\$ 603,156	\$ 698,871	\$ 95,715
Contingency	\$ 15,000	\$ 35,239	\$ 20,239
City Administration Fee	\$ 12,219	\$ 23,429	\$ 11,210
TOTAL OPERATING BUDGET	\$ 1,356,002	\$ 1,691,583	\$ 335,581

ATTACHMENT C

Silicon Valley/Santa Clara DMO, Inc. FY 2022/23 Proposed Budget - Detail				
Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance	Detail
CONVENTION SALES, INCENTIVES & SERVICES				
Personnel	\$ 397,255	\$ 457,669	\$ 60,414	
Salary	\$ 277,500	\$ 300,000	\$ 22,500	
1.0 FTE Director of Sales	\$ 97,500	\$ 112,500	\$ 15,000	Full year salary range \$125,000 - \$150,000. Projected start October 1, 2022.
1.0 FTE Sales Manager	\$ 90,000	\$ 97,500	\$ 7,500	Budgeted at current sales manager salary. Full year salary range \$90,000 - \$97,500.
1.0 FTE Sales Manager	\$ 90,000	\$ 90,000	\$ -	Budgeted at current sales manager salary. Full year salary range \$90,000 - \$97,500.
Incentives	\$ 69,375	\$ 75,000	\$ 5,625	Incentives are capped at 25% of base salary
Benefits	\$ 27,060	\$ 33,934	\$ 6,874	
Health & Dental	\$ 26,400	\$ 18,934	\$ (7,466)	DMO contributes to health and dental 85%, \$675 x 2 x 12mos x 85% = \$13,770; \$675 x 1 x 9mos x 85% = \$5,164
401k	\$ 660	\$ 15,000	\$ 14,340	Estimated 5% employer contribution
Payroll Taxes	\$ 22,000	\$ 44,415	\$ 22,415	Federal Unemployment (FUTA) = 0.60%, Social Security Tax (FICA) = 6.20%, Medicare Tax (FICA) = 1.45%; State Unemployment Insurance = 3.4%, Employee Training Tax = 0.10% [Total 11.75%]
Other-Cell Phone Stipend	\$ 1,320	\$ 1,320	\$ -	\$40/month x 2 staff x 12 months = \$960; \$40/month x 1 x 9 = \$360
Other-Relocation	\$ -	\$ 3,000	\$ 3,000	Up to \$3,000/ee x 1 = \$3,000
Convention Sales, Incentives & Services Expenses	\$ 155,698	\$ 149,605	\$ (6,593)	
Business Development	\$ 50,000	\$ 50,000	\$ -	In the year for the year funds for business development, customer event support such as transportation (P1 and P2).
Conferences and Tradeshow	\$ 8,900	\$ 20,700	\$ 11,800	Registration Fees only
Connect Marketplace	\$ 5,000	\$ 4,450	\$ (550)	8/8/22-8/10/22, Detroit, MI - This is the price for 1 appointment track (corporate/association/specialty). Additional tracks and booth fees are separate. https://www.connectmeetings.events/event.cfm?id=3381
California Society of Association Executives (Cal SAE)	\$ 2,400	\$ -	\$ (2,400)	
Connect Medical/Tech	\$ -	\$ 4,450	\$ 4,450	Nov/Dec 2022 - TBD 4 days - This is the price for 1 appointment track (medical OR tech). Additional tracks and booth fees are separate.
IMEX North America	\$ -	\$ 11,800	\$ 11,800	10/11/22-10/13/22 - Las Vegas, NV. Space is \$118 per square foot. For example, a 10 x 10 booth (100 sq. ft.) is \$11,800. Booth set-up fees and build-out are separate.
MPI ACE/WEC	\$ 1,500	\$ -	\$ (1,500)	
Memberships	\$ 2,825	\$ 3,015	\$ 190	Employee professional memberships.
California Society of Association Executives (Cal SAE)	\$ 700	\$ 350	\$ (350)	1 employee
Meeting Professional International (MPI)	\$ 1,125	\$ 1,665	\$ 540	Preferred \$555/person x 3 = \$1,110 + (inc 1st time reg. fee)
Professional Convention Management Association (PCMA)	\$ 1,000	\$ 1,000	\$ -	\$485/person x 2 (CEO, DOS) + 3% = \$999.10
Mileage Reimbursement	\$ -	\$ 500	\$ 500	
Subscription Services	\$ 31,473	\$ 32,390	\$ 917	
CVENT	\$ 31,473	\$ 19,202	\$ (12,271)	For CVB 1-Diamond listing lead generation system.
Knowland	\$ -	\$ 13,188	\$ 13,188	Knowland \$1,099/month = \$13,188
Support Services	\$ 42,500	\$ 36,000	\$ (6,500)	
Site Tours	\$ 5,000	\$ -	\$ (5,000)	Costs to bring in clients to tour the Center: local transportation, food and beverage, venue rental, etc.
Familiarization Trips	\$ 20,000	\$ -	\$ (20,000)	
Client Events	\$ 17,500	\$ 28,000	\$ 10,500	Hosted Open House Event for approximatey 50 P1/P2 planners.
Virutal Happy Hour	\$ -	\$ 2,000	\$ 2,000	
Client Activations	\$ -	\$ 4,000	\$ 4,000	2 activations x \$2,000 = \$4,000
Personalized Greetings	\$ -	\$ 2,000	\$ 2,000	
Travel & Entertainment	\$ 20,000	\$ 7,000	\$ (13,000)	Employee travel and entertainment costs associated to the proposed conference/tradeshows listed.
Connect Marketplace	\$ -	\$ 2,800	\$ 2,800	8/8/22-8/10/22, Detroit, MI x 1 ee
IMEX North America	\$ -	\$ 1,900	\$ 1,900	10/11/22-10/13/22 - Las Vegas, NV - 1ee
Connect Medical/Tech	\$ -	\$ 2,300	\$ 2,300	Nov/Dec 2022 - TBD 4 days 1 ee

Silicon Valley/Santa Clara DMO, Inc.
FY 2022/23 Proposed Budget – Detail

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance	Detail
TOTAL CONVENTION SALES, INCENTIVES & SERVICES	\$ 552,953	\$ 607,274	\$ 53,821	
MARKETING & COMMUNICATIONS				
Personnel	\$ -	\$ -	\$ -	
Salary	\$ -	\$ -	\$ -	
Benefits	\$ -	\$ -	\$ -	
Marketing Expenses	\$ 241,000	\$ 203,048	\$ (37,952)	
Advertising & Promotions	\$ 25,000	\$ 75,000	\$ 50,000	Costs related to advertising and promotions: design/creative of sales collateral/eblast, print materials, banners, exhibit design and materials, social media, digital marketing, etc., advertisements, other related collateral.
Contract Services	\$ 216,000	\$ 124,460	\$ (91,540)	Marketing firm or individual to manage marketing projects, digital marketing, newsletters, design services.
Marketing Consultant	\$ 166,000	\$ 110,000	\$ (56,000)	
Branding	\$ 28,000	\$ -	\$ (28,000)	Branding completed in FY 2021/22
Website	\$ 22,000	\$ 14,460	\$ (7,540)	Website hosting costs \$11,460; other website related costs = \$3,000
Software Licenses	\$ -	\$ 3,588	\$ 3,588	Newsletter/email software \$399/month x 12 months = \$3,588 (e.g Mailchimp)
TOTAL MARKETING & COMMUNICATIONS	\$ 241,000	\$ 203,048	\$ (37,952)	
ADMINISTRATION				
Personnel	\$ 328,372	\$ 476,375	\$ 148,003	
Salary	\$ 285,000	\$ 335,000	\$ 50,000	
1.0 FTE CEO	\$ 215,000	\$ 210,000	\$ (5,000)	
1.0 FTE Administrative Services Manager	\$ 70,000	\$ 125,000	\$ 55,000	Upgraded from an Administrative Assistant. Full year salary range \$100,000-\$125,000.
Incentives	\$ -	\$ 52,500	\$ 52,500	Incentives are capped at 25% of base salary. CEO only.
Benefits	\$ 20,806	\$ 36,796	\$ 15,990	
Health & Dental	\$ 20,366	\$ 13,770	\$ (6,596)	DMO contributes to health and dental 85%. \$675 x 2 x 12mos x 85% = \$13,770
401k	\$ 440	\$ 23,026	\$ 22,586	5% employer contribution
Payroll Taxes	\$ 21,606	\$ 46,119	\$ 24,513	Federal Unemployment (FUTA) = 0.60%, Social Security Tax (FICA) = 6.20%, Medicare Tax (FICA) = 1.45%; State Unemployment Insurance = 3.4%, Employee Training Tax = 0.10% [Total 11.75%]
Other-Cell Phone Stipend	\$ 960	\$ 960	\$ -	\$40/month x 2 staff x 12 months
Other-Relocation	\$ -	\$ 5,000	\$ 5,000	Up to \$5,000/CEO
Administrative Expenses	\$ 206,458	\$ 346,218	\$ 139,760	
Contract Services	\$ 155,876	\$ 299,964	\$ 144,088	
Audit	\$ 15,000	\$ 10,000	\$ (5,000)	Annual audit – currently no audit require as long as City is fiscal sponsor.
Fiscal	\$ 17,000	\$ 30,904	\$ 13,904	Accounting Services = \$20,000, Tax preparation, other needs outside of monthly = \$2,000, City Fiscal Services est. FY 2022/23 Rate of (\$731 x 6 mos) + (\$753 x 6 mos) = \$8,904
Human Resources	\$ 30,000	\$ 30,000	\$ -	CPS HR Consulting
IT Services	\$ 5,376	\$ 4,000	\$ (1,376)	Smart City \$264/month = \$3,168; additional services (add lines, staff support, etc.) = \$750
Legal	\$ 24,000	\$ 24,000	\$ -	Thoits Law
Payroll	\$ 4,500	\$ 6,000	\$ 1,500	ADP payroll \$86.54/pay period + \$3.15 each additional = \$2,250, Enhance bundle health = \$32.30 biweekly x 13 = \$419.90, ADP 401k admin – Up to \$210/month (Administration = \$175; Monthly charge = \$21.00, Per person = \$3.50) ~\$2,600
Professional Services	\$ 60,000	\$ 135,000	\$ 75,000	JLL Agreement \$5,000/month = \$60,000; City of Santa Clara (RS) = \$40,000; City of Santa Clara (NT) Administrative support = \$35,000
Temp. Staffing Services	\$ -	\$ 60,060	\$ 60,060	California People Search, 52 weeks x \$1,155/week = \$60,060
Insurance	\$ 8,610	\$ 11,737	\$ 3,127	added 4% to FY 2021/22 actuals
Business Owners Liability & Property	\$ 1,597	\$ 1,800	\$ 203	
Management Liability	\$ 2,096	\$ 5,000	\$ 2,904	

Silicon Valley/Santa Clara DMO, Inc.
FY 2022/23 Proposed Budget – Detail

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	FY 2022/23 Variance	Detail
Professional Cyber Liability	\$ 1,839	\$ 3,085	\$ 1,246	
Workers Comp	\$ 3,078	\$ 1,852	\$ (1,226)	
Memberships	\$ 1,047	\$ 1,600	\$ 553	
Destinations International	\$ 1,047	\$ 1,600	\$ 553	
Mileage Reimbursement	\$ -	\$ 500	\$ 500	
Operating Supplies	\$ 24,400	\$ 14,777	\$ (9,623)	
Bank Fees	\$ -	\$ 500	\$ 500	
Computers-Hardware	\$ 15,600	\$ 5,000	\$ (10,600)	Computer equipment package for one staff.
Licenses	\$ -	\$ 100	\$ 100	City Business License
Office supplies	\$ 5,000	\$ 5,000	\$ -	
Postage	\$ 300	\$ 300	\$ -	
Software Licenses	\$ 3,500	\$ 3,877	\$ 377	Microsoft Office 365 \$15/user x 5 x 12 mths = \$900, Emails \$6/user x 16 x 12 mths = \$1,152; Zoom = \$1,000, Quickbooks = \$825
Recruitment	\$ -	\$ 500	\$ 500	Job postings/announcements
Subscription Services	\$ 16,525	\$ 17,140	\$ 615	
CRM System	\$ 8,200	\$ 9,800	\$ 1,600	Simpleview Customer Relations Management (CRM) System used/accessible to DMO, Spectra, Levy and TID Hotels.
Annual Subscription	\$ 6,000	\$ 9,800	\$ 3,800	Simpleview (users + EIC + CVENT integration) \$741.67/mth x 12 = \$8,900.04; add 1 \$100/mth x 9 months = \$900
Add-Ons	\$ 2,200	\$ -	\$ (2,200)	Included in above amount
Destinations International	\$ 7,725	\$ 7,340	\$ (385)	Event Impact Calculator (EIC) – for Meetings and Local/Public Events
Trade Journals/Newspapers	\$ 600	\$ -	\$ (600)	
TOTAL ADMINISTRATION	\$ 534,830	\$ 822,593	\$ 287,763	
CONTINGENCY	\$ 15,000	\$ 35,239	\$ 20,239	Based on 2% TID Assessment (3% of projected revenue = \$1,174,623)
CITY ADMINISTRATION FEE	\$ 12,219	\$ 23,429	\$ 11,210	Based on 2% TID Assessment (2% of projected revenue = \$1,174,623)
TOTAL OPERATING BUDGET	\$ 1,356,002	\$ 1,691,583	\$ 335,081	

Budget Item	FY 2021/22 Adopted	FY 2022/23 Proposed	Variance + / (-)
Personnel	\$ 725,627	\$ 934,044	\$ 208,417
NonPersonnel	\$ 603,156	\$ 698,871	\$ 95,715
Contigency	\$ 15,000	\$ 35,239	\$ 20,239
City Administration Fee	\$ 12,219	\$ 23,429	\$ 11,210
TOTAL OPERATING BUDGET	\$ 1,356,002	\$ 1,691,583	\$ 335,581