



DISCOVER SANTA CLARA®  
BOARD OF DIRECTORS  
SPECIAL MEETING

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APRIL 6, 2023, 12:00 p.m.  
Santa Clara Convention Center  
5001 Great America Parkway  
Santa Clara, CA 95054  
Meeting Room 201

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*Pursuant to the provisions of the Brown Act under California (Government Code §5493(f)) Discover Santa Clara® is complying with AB 2249 requirements to allow for a hybrid meeting in which the public may participate remotely.*

The public can participate remotely via Zoom: <https://us06web.zoom.us/j/89704995331>  
Meeting ID: 897 0499 5331 or by phone: 1 (669) 900-6833.

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

For public comment on items on the Agenda that are 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.

1. Action on the Purchase of Four Computers and Equipment for New Staff.

**Recommendation:** Approve the Purchase of Four Computers and Equipment for Future Staff in an amount not to exceed \$8,000.00.

**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**

2. Discussion and Action on the Proposed FY 2023/24 Operating Budget.

**Recommendation:** Provide direction on the proposed FY 2023/24 Operating Budget.

## **GENERAL ANNOUNCEMENTS**

### **ADJOURNMENT**

The next regularly scheduled meeting is on **April 20, 2023, at 3:00 p.m.**

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#### **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 Beverly Corriere, [BCorriere@discoversantaclara.org](mailto:BCorriere@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.


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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 Beverly Corriere, [BCorriere@discoversantaclara.org](mailto:BCorriere@discoversantaclara.org) as soon as possible before the scheduled event.

✓ You've successfully saved a new eQuote - #3000149442492 ✕

Details	Billing	Shipping	Payment method
070 - DMO Employees Quote number # 3000149442492  Created April 3, 2023 Expires May 3, 2023 Created by agammage@smartcity.com	<b>Order contact</b> Alexis Gammage Smart City Networks Phone number: (702) 968-9302 Additional:: agammage@smartcity.com  <b>Tax exemption</b> I am not tax exempt	<b>Shipping information</b> Kelly Carr Smart City Networks 5001 Great America Pkwy, Santa Clara, CA, 95054 Phone number: (408) 982-0216 Additional:: tperez@smartcity.com  <b>Delivery method</b> FREE Standard Delivery  <b>Trade compliance</b> No, I will not be exporting	

Items	Quantity	Unit Price	Item total															
 <p><b>Dell Dock WD22TB4</b>            Discounted unit price: \$267.89  <b>Estimated Delivery</b>            FREE Standard Delivery to 95054 by Friday, April 7, 2023  <b>Catalog Number:</b> 18 / rrc1324391-6790390</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> <th>Code</th> <th>SKU</th> <th>ID</th> </tr> </thead> <tbody> <tr> <td>BASE,DS,WD22TB4 US 180W</td> <td>Dell Thunderbolt 4 Dock - WD22TB4</td> <td>GBNM2HY</td> <td>[210-BDQH]</td> <td>1</td> </tr> <tr> <td>Services:Hardware Support</td> <td>3 Years Advanced Exchange Service</td> <td>G90GYFH</td> <td>[872-8557] [872-8550]</td> <td>29</td> </tr> </tbody> </table> <p>Premier discount <span style="float: right;">-\$388.40</span></p> <p style="text-align: right;"><b>Item total: \$1,071.56</b></p>	Category	Description	Code	SKU	ID	BASE,DS,WD22TB4 US 180W	Dell Thunderbolt 4 Dock - WD22TB4	GBNM2HY	[210-BDQH]	1	Services:Hardware Support	3 Years Advanced Exchange Service	G90GYFH	[872-8557] [872-8550]	29	4	\$364.99	\$1,459.96
Category	Description	Code	SKU	ID														
BASE,DS,WD22TB4 US 180W	Dell Thunderbolt 4 Dock - WD22TB4	GBNM2HY	[210-BDQH]	1														
Services:Hardware Support	3 Years Advanced Exchange Service	G90GYFH	[872-8557] [872-8550]	29														

 <p><b>Monitor</b>            Discounted unit price: \$184.59  <b>Estimated Delivery</b>            FREE Standard Delivery to 95054 by Friday, April 7, 2023  <b>Catalog Number:</b> 18 / rrc1324391-6900870</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Description</th> <th>Code</th> <th>SKU</th> <th>ID</th> </tr> </thead> <tbody> <tr> <td>Dell 23 Monitor – P2319H</td> <td>Dell 23 Monitor - P2319H</td> <td>GSGVUM1</td> <td>[210-AQCI]</td> <td>1</td> </tr> <tr> <td>Hardware Support Services</td> <td>3 Years Advanced Exchange Service</td> <td>G0N1BI5</td> <td>[814-9381] [814-9382]</td> <td>29</td> </tr> </tbody> </table> <p>Premier discount <span style="float: right;">-\$443.20</span></p> <p style="text-align: right;"><b>Item total: \$1,476.72</b></p>	Category	Description	Code	SKU	ID	Dell 23 Monitor – P2319H	Dell 23 Monitor - P2319H	GSGVUM1	[210-AQCI]	1	Hardware Support Services	3 Years Advanced Exchange Service	G0N1BI5	[814-9381] [814-9382]	29	8	\$239.99	\$1,919.92
Category	Description	Code	SKU	ID														
Dell 23 Monitor – P2319H	Dell 23 Monitor - P2319H	GSGVUM1	[210-AQCI]	1														
Hardware Support Services	3 Years Advanced Exchange Service	G0N1BI5	[814-9381] [814-9382]	29														

 <p><b>Latitude 5430</b>            Discounted unit price: \$1,231.38  <b>Estimated Delivery</b>            FREE Standard Delivery to 95054 by Friday, April 14, 2023  <b>Catalog Number:</b> 18 / rrc1324391-6790379</p>	4	\$2,220.29	\$8,881.16
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Category	Description	Code	SKU	ID
Base	Dell Latitude 5430 BTX Base	GIJ2ULS	[210-BDGO]	1
Processor	12th Generation Intel® Core™ i5-1235U (12 MB cache, 10 cores, up to 4.40 GHz Turbo)	GAE0VUR	[379-BETS]	146
Operating System	Windows 10 Pro (Includes free upgrade to Windows 11 Pro), English, French, Spanish	G42N6D1	[619-AQMP]	11
Office Productivity Software	No Microsoft Office License included	GC70FJV	[658-BCSB]	1002
Base Options	i5-1235U Trans, Integrated Intel Iris Xe Graphics, Thunderbolt	G49CLET	[338-CDJC]	149
Systems Management	Intel ME disabled	G3CKFU2	[631-ADFC]	49
Memory	16 GB, 2 x 8 GB, DDR4, 3200 MT/s	G4TUP9C	[370-AFVQ]	3
Hard Drive	256 GB, M.2, PCIe NVMe, SSD, Class 35	GG5JUNQ	[400-BNJW]	8
LCD	14.0" FHD (1920x1080) Anti Glare, Non-Touch, WVA, 250 nits, HD Camera, WLAN	GA5X12I	[391-BGLO]	760
Keyboard	English US backlit keyboard, 79-key	GNJ8GDK	[583-BHCH]	4
Mouse	No Mouse	G8043UZ	[570-AADK]	12
Wireless Driver	Wireless Intel AX211 WLAN Driver Alder Lake	GUDA308	[555-BHIC]	7
Wireless	Intel® Wi-Fi 6E AX211, 2x2, 802.11ax, Bluetooth® wireless card	GL03PXW	[555-BHHU]	19
Mobile Broadband	No Mobile Broadband Card	GR957IY	[556-BBCD]	114
Primary Battery	4 Cell, 58 Wh, ExpressCharge™ Capable	GSJV9PY	[451-BCWY]	112
AC Adapter	65W Type-C Adapter	G6YAZOF	[492-BDGC]	1015
PalmRest	Palmrest, No Fingerprint, No SmartCard, Thunderbolt 4	GNV73PL	[346-BHRV]	55
Security Software	No anti-virus software	GD4K19S	[650-AAAM]	1014
Operating System Recovery Options	OS-Windows Media Not Included	GLA9OQ1	[620-AALW]	200013
Power Cord	E4 Power Cord 1M for US	GC90V4B	[537-BBDO]	20
Setup and Features Guides	Quick start guide	GEJHID6	[340-CYGE]	60
Resource Media	No Resource USB Media	G5KFAU6	[430-XXYG]	50
Documentation	Safety/Environment and Regulatory Guide (English/French Multi-language)	G7RB0GY	[340-AGIK]	21
ENERGY STAR	ENERGY STAR Qualified	GFSJ2Q8	[387-BBPC]	122
FGA Module	5430_1HFY23_108/US/BTS	FG0009	[998-FNQQ]	572
Non-Microsoft Application Software	Dell Applications Windows 10	GZXEOP0	[658-BBMR] [640-BBLW] [525-BBCL] [658-BDVK] [658-BBRB] [658-BEOK] [658-BEQP] [658-BFDQ]	1003
Packaging	Packaging 65W Adapter + ADL CPU	G7600H4	[340-CYOV]	465
Processor Label	Intel® Core™ i5 non-vPro Processor Label	G7PMQZT	[389-DXDU]	749
Transportation from ODM to region	Smart Selection Shipment (VS)	G1U8Y59	[800-BBQH]	200080
EAN POD label	POD Label 004	GAX83SM	[389-EDJB]	292
Windows AutoPilot	No AutoPilot	GYE02AP	[340-CKSZ]	291

Category	Description	Code	SKU	ID
Dell Endpoint Security	VMWCB Endpoint Stnd NGAV B-EDR w /ProSupport 1yr	G4B3QJR	[528-CHEC]	200465
Chassis Options	Latitude Bottom Door	GCJK17Z	[321-BHJZ]	116
Additional Opticals	No Removable CD/DVD Drive	GDCPVR0	[429-AATO]	105
Camera	HD Camera, Temporal Noise Reduction, No ExpressSign-In, Camera Shutter, Mic	GH9VTYS	[319-BBID]	379
EPEAT 2018	EPEAT 2018 Registered (Gold)	GBU8CHM	[379-BDZB]	200331
Service	Mail In Service, 12 Month(s)	GCLIK9P	[709-BBRC]	29
Extended Service	ProSupport and Next Business Day On site Service, 36 Month(s)	GCBH3WQ	[199-BIQ] [199-BIQJ]	30

Premier discount -\$3,955.64

No interest if paid in full within 90 days on qualifying PCs \$699 or more!

Only valid on purchases using Dell Business Credit. [Details](#)

KM5221W

4 \$59.99 \$239.96



**Dell Wireless Combo KM5221W - US Eng**

Discounted unit price: \$33.43  
 Manufacturer Part# : 0KW2K  
 Dell Part# : 580-AJIS

**Estimated Delivery**  
 FREE Standard Delivery to 95054 by Monday, April 10, 2023

**Catalog Number:** 18 / rrcr1324391-6536039

Category	Description	Code	SKU	ID
Additional Non-System Options	Dell Wireless Combo KM5221W - US Eng	10073801	[580-AJIS]	702

Premier discount -\$106.24

**Item total: \$133.72**

Savings: \$4,893.48

**Subtotal (20): \$7,607.52**

Savings \$4,893.48

**Subtotal (20) \$7,607.52**

Estimated Shipping \$0.00

**Total \$7,607.52**

**Support** Support  
 Order Status

Drivers & Downloads

Product Support

Support by Topic

Warranty Information

Order Support

**Your Products** Your Products **About Dell** About Dell  
 Quotes Dell Technologies

Sales Quotes

Systems

**Account** Account  
 Your Profile

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## MEMORANDUM

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

**FROM:** Christine Lawson, CEO

**DATE:** April 6, 2023

**RE:** Proposed Operating Budget for FY 2023/24 and Overview of Key Variances for Silicon Valley/Santa Clara DMO, Inc.

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This budget memo summary is intended to provide an overview of the proposed budget for FY 2023/24, perspective on the intended increases compared to the current budget, and insight into the areas with the greatest impact on the budget and the DMO for the Special Meeting of the Board of Silicon Valley/Santa Clara DMO, Inc. on April 6, 2023. This summary's data has not been audited and may require revision.

### **DMO 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 the 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 2.0% assessment of gross short-term (30 days or less) room revenue (10 rooms or more) on lodging businesses and ensures funding for the 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.

### **FY 2022/23 FUND SUMMARY:**

The beginning fund balance for FY 2022/23 was \$2,182,482, while the Operating Budget for the current year is \$1,691,583 which was approved by the Board on March 31, 2022. As of February 28, 2023, the DMO has spent 36% of its budget, or \$604,410, and has received \$758,525 in revenue.

The low budget expenditures for the FY 2022/23 year were influenced by several key factors. The most significant of them was the delay in filling key leadership positions, particularly the role of chief executive officer, which impeded our ability to execute planned strategies for the year. This delay led to a slower pace of decision-making and implementation across the organization, resulting in lower spending levels than anticipated. The funds expended to date have been allocated towards hiring key staff positions, specifically the CEO (October), one of two open sales manager positions, an administrative services manager (September), and a director of marketing, who was not included in the adopted budget but was approved by the Board in February 2023. The director of marketing will begin on May 1, 2023. While this position will add minimally to our current budgeted expenditures, it is a crucial step towards establishing a strong foundation for our marketing initiatives and ensuring the long-term success of the organization.

As we examine the proposed expenditures for the FY 2023/24 budget, which includes significant positive variances, it is important to note that most increases compared to FY 2022/23 adopted expenses will demonstrate significant growth, as this Fiscal Year's budget is not indicative of a typical year. To reach the DMO's annual goals and objectives, we will continue to constantly evaluate our expenditures to ensure that we are both strategic and economically prudent.

**FY 2023/24 FUND SUMMARY:**

FY 2022/23 Fund Balance	FY 2023/24 Projected Revenue	FY 2023/24 Reserves	FY 2023/24 Available Funds
\$3,005,635	\$2,266,000	\$1,193,469	\$4,078,166

Projected revenue for FY 2023/24 is \$2,266,000. When combined with the FY 2022/23 estimated fund balance of \$3M and the allocation of approximately \$1.2 M to the FY 2023/24 Reserve Fund, \$4M in funds will be available for FY 2023/24.

**FY 2023/24 PROPOSED OPERATING BUDGET:**

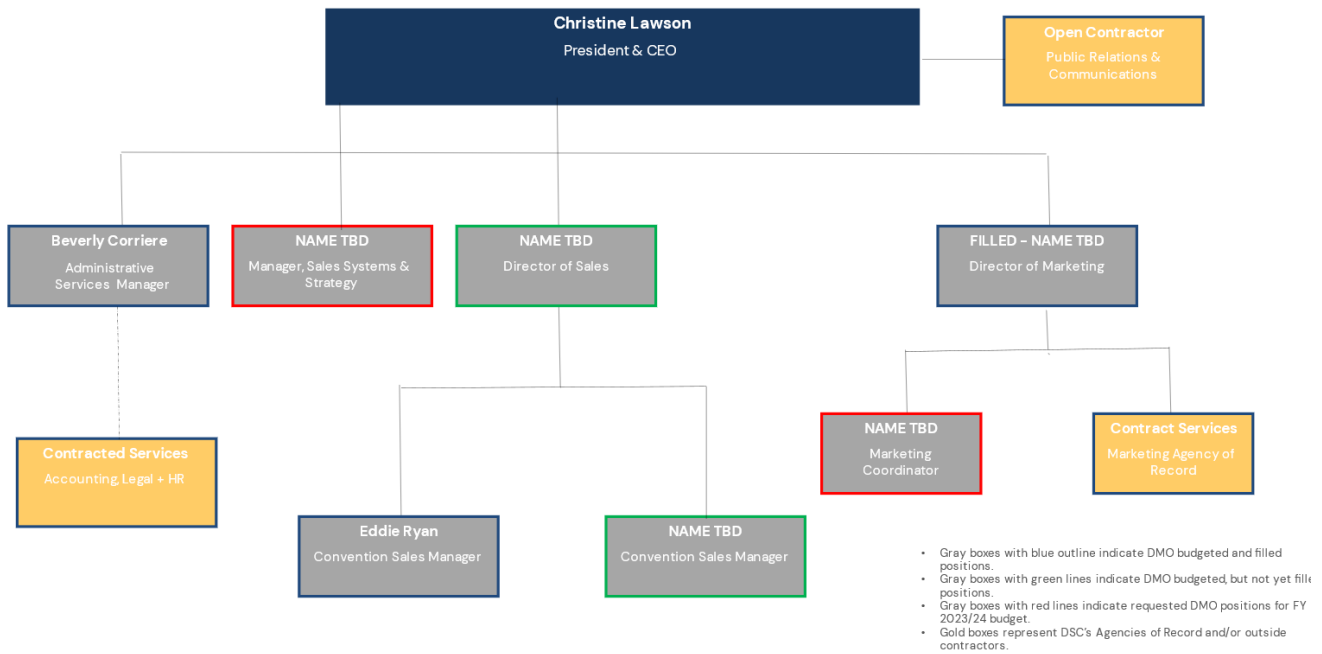
The current operating budget includes six full-time equivalent (FTE) staff: 1.0 chief executive officer, 1.0 director of sales, 2.0 sales managers, 1.0 administrative services manager, and 1.0 director of marketing. The overall increase in the FY 2023/24 budget dollars from the current operating budget is \$1,292,090.

Position	FY 2022/23 Adopted	FY 2022/23 Revised	FY 2023/24 Proposed	Change
Chief Executive Officer	1	1	1	0
Director of Sales	1	1	1	0
Sales Manager	2	2	2	0
Director of Marketing	0	1	1	0
Marketing Coordinator	0	0	1	1
Manager, Sales System & Strategy	0	0	1	1
Administrative Services Manager	1	1	1	0
<b>TOTAL FTE</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>2</b>



As the director of sales and additional sales manager positions are currently vacant, they have been included in the "FY 2023/24 Proposed" column. Although it is hoped that these roles will be filled by the end of this Fiscal Year, we are still in the recruiting phase and exact dates are not yet known. In addition, as previously mentioned, while we did not include a director of marketing position in the current Fiscal Year's Adopted Budget, a case was made to the Board to hire a director of marketing and absorb the cost in the current budget, which was approved at the February 16, 2023 Board of Directors Meeting. Thus, this position has been added to the "FY 2022/23 Revised" column. The marketing director's role has been filled and will begin on May 1, 2023.

### FY 2023/24 PROPOSED BUDGETED ORGANIZATIONAL STRUCTURE



	FY 2022/23 Adopted	FY 2023/24 Proposed	Variance + / (-)	FY 2023/24 Change %
Personnel	\$934,044	\$1,623,230	\$689,186	73.79%
Non-Personnel	\$698,871	\$1,250,443	\$551,572	78.92%
Contingency	\$35,239	\$66,000	\$30,761	87.29%
City Administration Fee	\$23,429	\$44,000	\$20,571	87.80%
<b>Total Operating Budget</b>	<b>\$1,691,583</b>	<b>\$2,983,672</b>	<b>\$1,292,090</b>	<b>76.38%</b>

The budget for the DMO is divided into five program areas: Convention Sales, Incentives & Services, Marketing & Communications, Administration, Contingency, and City Administration. The more significant proposed budget variances of \$8,000 or greater are detailed in each program below.

**Convention Sales, Incentives & Services:**

The Convention Sales, Incentives, and Services Program stimulates sales activity for the booking of prominent Convention Center events, generation of Convention Center revenue, and increased assessed room night sales from Convention Center group/event attendees. The budget is devoted to sales activity designed to attract new meetings, conventions, athletic events, and other corporate and leisure events that have a substantial impact on the Center's financial performance and assessed room demand in the Santa Clara Tourism Improvement District (SCTID). This program also provides client incentives/subsidies to attract new prominent events and conventions that have previously not been hosted by the Convention Center and/or past groups that are considering other future location options where there is potential risk of losing associated revenue.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>			
<b>Positions</b>			
FTE Director of Sales	1	1	1
FTE Sales Manager	1	0	0
FTE Sales Manager	1	1	1
FTE Manager, Sales Systems & Strategy	-	1	1
<b>Personnel</b>	<b>\$457,669</b>	<b>\$735,056</b>	<b>\$277,387</b>
Salary	\$300,000	\$480,500	\$180,500
Incentives	\$75,000	\$101,375	\$26,375
Benefits	\$33,934	\$68,540	\$34,606
Payroll Taxes	\$44,415	\$79,721	\$35,306
Other-Cell Phone Stipend	\$1,320	\$1,920	\$600
Other-Relocation	\$3,000	\$3,000	\$ -
<b>Convention Sales, Incentives &amp; Services</b>	<b>\$149,605</b>	<b>\$453,275</b>	<b>\$303,670</b>
<b>Expenses</b>			
Business Development	\$50,000	\$150,000	\$100,000
Conferences and Tradeshows	\$20,700	\$47,700	\$27,000
Memberships	\$3,015	\$12,508	\$9,493
Subscription Services	\$32,390	\$33,684	\$1,294
Support Services	\$36,000	\$120,300	\$84,300
Travel & Entertainment	\$7,500	\$89,083	\$81,583
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$607,274</b>	<b>\$1,188,331</b>	<b>\$581,057</b>

**Proposed Personnel Budget Salary Adjustments & Additional Staffing**

- In February 2023, a market salary analysis was conducted for the director of sales and sales manager positions. To stay competitive in the market, it was suggested to the Board that the compensation ranges for both positions should be increased. The new ranges for the director of sales were approved during the February 16th Board Meeting. However, the proposed ranges for the sales manager position, which are set at \$105,000 to \$120,000, are still pending Board approval.

- For the current fiscal year, the budgeted compensation range for the **director of sales** is between \$125,000 and \$150,000, with a start date of October 1, 2022. This position has not yet been filled. The upper end of the revised wage range of \$160,000 to \$180,000 was utilized for the FY 2023/24 budget. The DMO is actively recruiting for this position and expects to have a director of sales in place no later than July 1, 2023; therefore, the position has budgeted for the entire fiscal year.
- The new **sales manager's** proposed salary range is between \$105,000 and \$120,000, up from \$90,000 to \$97,500 in the presently adopted budget. In the FY 2023/24 budget, the maximum wage range for the open position was used for recruitment purposes. Once the proposed revised range has been approved by the Board, the aim is to adjust salaries for all sales manager positions. This will help us to retain talent and ensure consistency across the organization. Any proposed salary adjustments will be based on merit and KPI/goal achievement and will be conducted in conjunction with a performance review.
- The position of **manager, sales systems & strategy** has been added to the budget to begin on September 1, 2023. This role will have oversight of the CRM to ensure proper usage, provide insight into business trends and make recommendations for future strategies. Currently, this role is held by an individual who we are contracting through a temp. agency. We need this to be a full-time role and this individual is eager to come on full-time with the DMO post their college fellowship completion at the end of August. For the months of July and August, the role remains in *Contract Services* under *Temp Staffing Services* (\$25,494) in addition to a commission of 10% of the current \$60,000 contract (\$6,000) owed to the temp agency for hiring their contractor as an FTE. The compensation range for this position is \$62,000 to \$92,000, thus the budget reflects a full year salary of \$90,000 for an FTE starting in September 2023, resulting in an adjusted salary of \$75,000 for ten months in FY 2023/24.
- **Merit Increases** of up to 5% have been added to the blended compensation of all eligible positions at the one-year anniversary of their start date, as reflected in the budget. This does not include the present sales manager, as once the revised salary range for this position is approved, the CEO will request approval from the Board to adjust current salaries for retention and consistency purposes. If approved, the adjustment would be for FY2023/23. The percentage of any increases would be determined by a performance evaluation and grading system, in addition to meeting outlined KPI's/goals. The DMO is in the process of developing a standard operating procedure for the annual review procedure.
- **Incentive** payouts are capped and budgeted at a maximum payout of 25% of the eligible employee's base salary. The incentive payout is contingent upon the achievement of established KPI's and goals as specified in the current sales incentive plan for the sales managers and a detailed incentive plan for the director of sales is in the process of being developed and will be presented to the Board for approval. Note that the Sales Systems and Strategy Manager has no incentive plan.

- The budget for **health and dental benefits** reflects an increase of \$34,306 due to the anticipation that all positions will be filled as opposed to the existing level of staff, which consists of one sales manager who started in September 2022. This also applies to the budget variation of \$35,306 resulting from the increase in payroll taxes. Moreover, \$27,416 was added to account for 401k employer contributions with the goal of implementing this program by June 1, 2023.

**Proposed Non-Personnel Budget Changes:**

- \$27,000 was added to **Conferences and Tradeshows** for attendance at 15 diverse segment events that consist of tradeshows, client networking, and marketing conferences. This list was composed based upon the anticipation of a full team in place to divide and conquer to include the CEO, director of sales, two sales managers and the director of marketing. This list equates to approximately four shows per person for the fiscal year. In the first year that the DMO is fully staffed, it will be crucial to be highly visible in the market to gain key exposure in a highly competitive environment, engage in networking opportunities, and fill the sales funnel with more prospects. This budget only covers registration expenses.
- \$9,493 was added to **Memberships** to accommodate the addition of new team members.
- The increase of \$84,300 in **Support Services** is driven by the following items:
  - \$15,000 was added to **Site Tours** so that we can supply overnight accommodation for meeting planners considering Santa Clara for their P1 or P2 group.
  - \$30,000 was added to accommodate two strategic **Familiarization Trips** of targeted and influential meeting planners representing specific vertical/customer segments (e.g., association, tech, sports, etc.).
  - \$20,000 has been added for **Promotional Items** (aka tchotchke's). These promotional items will be distributed to clients during tradeshows and sales calls, and they will highlight Santa Clara's innovative nature.
  - We have five tradeshows that will require that the DMO have a booth. We are in the process of reviewing proposals to have a 10x10 booth created. The booth will require a **Storage Fee** of \$2,400 for FY 2023/24. Additionally, we will need to pay for shipping and set-up/tear-down of the booth, of which \$24,500 has been added to **Tradeshow Shipping, Set-Up & Breakdown Costs**. The cost calculation consists of \$3,000 roundtrip shipping cost in addition to booth set-up at \$191/hour (estimated SF union rate used which will vary per city + 5% increase assumed) X 5 hours = \$955 x 2 people = \$1,910 per show. Total per show shipping + set-up/breakdown cost = \$4,910 for a FY 2023/24 total of \$24,500.
  - **\$89,083** has been added to **Travel & Entertainment**. The current Fiscal Year budget is \$7,500, and the team did not attend tradeshows or conduct sales trips excluding two networking conferences that the CEO attended in February and March of this year. The additional funds cover the expense of travel and lodging to attend the planned tradeshows (\$39,325), as well as the cost of eleven quarterly sales trips to important cities to conduct sales calls with top meeting planners (\$22,418). These trips will be divided among the CEO, director of sales, two sales managers, and director of marketing, resulting in an average of two trips per individual.
  -

- Added **Client Entertainment** to the T&E budget for FY 2023/24 and allotting \$24,000. These monies are designated for smaller segment-specific client events/entertainment both locally and when on the road (e.g., dining out). This allotment offers each selling team member (5ppl = CEO, DOS, 2 Sales Managers + DOM) with \$400 per month or \$4,800 in FY 2023/24 to entertain clients.

**Marketing & Communication:**

As a conference, meeting, and event destination, the Marketing & Communication Program will promote Santa Clara, the Convention Center, and the assessed hotel partners. The Program will emphasize the destination's desirability for overnight meeting and convention guests, with the aim of increasing exposure for Santa Clara, overnight visits, Convention Center revenue, and assessed room demand in the SCTID.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>MARKETING &amp; COMMUNICATIONS</b>			
<b>Positions</b>			
Director of Marketing	1	0	0
Marketing Coordinator	0	1	1
<b>Personnel</b>	<b>\$-</b>	<b>\$339,837</b>	<b>\$338,837</b>
Salary	\$-	\$218,794	\$218,784
As Needed/Hourly	\$-	\$13,500	\$13,500
Incentives	\$-	\$39,074	\$39,074
Benefits	\$-	\$31,209	\$31,209
Payroll Taxes	\$-	\$36,301	\$36,301
Other – Cell Phone Stipend	\$-	\$960	\$960
<b>Marketing Expenses</b>	<b>\$203,048</b>	<b>\$409,683</b>	<b>\$206,635</b>
Advertising & Promotions	\$75,000	\$70,000	(\$5,000)
Contract Services	\$124,460	\$339,683	\$215,223
Software Licenses	\$3,588	\$-	(\$3,588)
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$203,048</b>	<b>\$749,520</b>	<b>\$546,472</b>

**Proposed Personnel Budget Changes:**

- As noted previously, the Board approved the hiring of a director of marketing in February of this year, which was an unbudgeted expense that will be easily absorbed by the current budget. The director of marketing has been hired and will start on May 1, 2023.
- The budget includes a **marketing coordinator** beginning on or around September 1, 2023. This position will assist the director of marketing in reviewing marketing data and strategy, communicating campaign deliverables, and assisting the sales team in managing the organization and execution of tradeshow, conferences, and other events. The wage range for this position is \$45,000 to \$76,000, thus the top of the range of \$75,000 was budgeted commencing in September 2023 for an adjusted 10-month salary of \$62,500 in FY 2023/24. This position has no incentive plan.
- \$13,500 for **public relations** support on an as-needed, hourly basis.

- As a result of the enhanced direct sales and marketing activities, the DMO will require PR help to ensure that these efforts receive coverage in important industry trades, to perform media outreach, and to prepare for industry interviews on behalf of the DMO. This sum will help the team get started, and in FY 2024/25, we will assess our long-term approach. Consider a monthly requirement of five hours at a rate of \$225 per hour, for a total of \$1,125 per month.

**Proposed Non-Personnel Budget Changes:**

- There is \$70,000 in the budget for **Advertising & Promotions**, which is consistent with the adopted budget for FY 2022/23 (\$75,000). These monies were not used this year and will be used for the preparation of sales collateral and print/media items in FY 2023/24. Funds will also be used to promote and increase the DMO's visibility in prominent industry trades and through sponsorships (e.g., Visit California, CalTravel, etc.).
- **Contract Services** is increasing by \$215,223 with a proposed \$339,683 budget for the upcoming fiscal year, with the following expense breakdown:
  - This year, we have a contract with our **Marketing Agency of Record** for \$110,000, comprised of a monthly retainer of \$5,500 (\$66,000 in FY 2022/23) and the remaining \$44,000 earmarked for digital/email marketing initiatives. For FY 2023/24, just the monthly retainer, which will continue at \$5,500 per month, is assigned to the Marketing Agency. This will enable the DMO to distribute and account for marketing funds in a more precise manner.
  - \$255,500 has been earmarked for marketing programs. While this is a significant increase, a strong cadence of diverse marketing initiatives is critical to gain exposure for the City, DMO and partners, which has been relatively inactive since the organization's inception with the onset of COVID, inconsistent staffing and lack of execution of strategies. These funds are allocated as follows:
    - \$110,000 for **Digital Marketing (PPC, SEO, Social Media & Google Ads)**.
    - \$10,000 for **Influencer Marketing**. With these funds, the DMO can experiment with influencer marketing, which makes use of recommendations from "influencers" who are widely regarded as experts in their field or as having significant social influence. This will help us connect with the influencer's audience and raise the organization's exposure and followers.
    - \$10,000 for **Email Marketing**. The goal is to have a monthly Email Campaigns targeting diverse market segments to build awareness and promote seasonal need periods for the City and our partners.
    - \$20,000 for **Photography**. The DMO will have to make an investment in photography to build/expand its content library. Currently, the DMO primarily uses stock photos that do not accurately portray the organization or its partners. Websites, social media, Google Ads, and other sales materials can all benefit from the use of rich imagery. Budgeted to be paid in full by September 2023. Monies will be used for photography and production.
    - \$30,000 for **Videography**. For numerous marketing purposes, including the website, the DMO must invest in videos which continue to gain importance from a marketing standpoint. The objective is to have a comprehensive highlight reel that covers various market segments and the destination, with the intention of dividing these into smaller videos for usage with specific target audiences.

Social media, LinkedIn, Google Ads, tradeshow, and sales presentations will incorporate these videos. The cost comprises production/splicing expenses.

- \$15,000 for a DMO **Branding Session**. The objective of the Branding Session is to answer the question "Why Santa Clara?" The content gathered will be used to create stories that resonate with our target segments to increase our exposure, leads, and business.
- \$60,500 for **Website Development/Evolution**. The objective is to redesign the current DMO Website to provide a richer and more diverse experience to our group, meeting, and leisure customers. Providing varied audience content will support investments on the sales and marketing side to drive traffic to the site, keep people engaged while on the site with the goal of meeting planners being more inclined to complete an RFP. Additionally, it is critical that we enhance the site to support the DMO's goal of marketing the destination with updated events and reasons to come/stay in Santa Clara. We will create an RFP for this process.

**Administration:**

Administration organizes, coordinates, and provides help for all services and functions of the organization. Budget will be used to support CEO and administrative staffing costs, office expenses, policy formation, and other general administration expenses like insurance, legal, accounting, and IT. Administration is responsible for the company's overall financial monitoring and health.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>ADMINISTRATION</b>			
<b>Positions</b>			
Chief Executive Officer	1	0	0
Administrative Services Manager	1	0	0
<b>Personnel</b>	<b>\$476,375</b>	<b>\$548,336</b>	<b>\$71,961</b>
Salary	\$335,000	\$367,328	\$32,328
Incentives	\$52,500	\$60,707	\$8,207
Benefits	\$36,796	\$52,397	\$15,601
Payroll Taxes	\$46,119	\$60,944	\$14,825
Other-Cell Phone Stipend	\$960	\$960	\$-
Other - Car Allowance	\$-	\$6,000	(\$6,000)
Other-Relocation	\$5,000	\$-	(\$5,000)
<b>Administrative Expenses</b>	<b>\$346,218</b>	<b>\$387,485</b>	<b>\$41,267</b>
Contract Services	\$299,964	\$289,776	(\$10,188)
Insurance	\$11,737	\$12,978	\$1,241
Memberships	\$1,600	\$3,350	\$1,750
Mileage Reimbursement	\$500	\$-	(\$500)
Operating Supplies	\$10,900	\$10,850	(\$50)
Software Licenses	\$3,877	\$8,124	\$4,247
Office Rent	\$-	\$8,100	\$8,100
Recruitment	\$500	\$500	\$-
Subscription Services	\$17,140	\$53,807	\$36,667
<b>TOTAL</b>	<b>\$822,593</b>	<b>\$935,821</b>	<b>\$113,228</b>

**Proposed Personnel Budget Changes:**

There are no proposed personnel changes.

**Proposed Non-Personnel Budget Changes:**

- The **Contract Services** budget is \$289,776 which reflects a \$10,188 decrease from the current adopted budget of \$299,964. Key expense variances are as follows:
  - **Fiscal** includes accounting services, tax preparation and the City of Santa Clara fiscal services. For the FY 2023/24, the fiscal line has increased by \$34,204 and is driven by the following:
    - **Accounting Services** budgeted at \$51,060 which is a \$31,606 increase over the FY2022/23 adopted budget. The total accounting services contract covers monthly accounting costs and any adjustments to the Financial SOP's currently being drafted for the DMO.
    - Maintaining **City Fiscal Services Agreement** at increased rate of \$754 per month for FY 2023/24 which represents a 4% increase over the current year's rate of \$725 per month equaling \$9,048. For the current year, the City of Santa Clara has custody of the DMO's budget until the Financial SOPs are completed and approved. Once the SOPs are approved and implemented, the DMO will gain custody of the budget at which point, the DMO will not require City Fiscal Services. That said, there is not a definitive date set as to when the SOP process will be completed so maintaining the fiscal contract for FY 2023/24 to preserve the budget.
  - **Human Resources** reduced by \$10,000. HR-related administrative functions include recruitment, hiring and on-boarding coordination, policy development, compliance, and payroll management. While it is anticipated that there will be an additional need for new team members, the \$20,000 should be sufficient for FY 2023/24.
  - **Legal Services.** The \$35,000 budget for Legal Services reflects an increase of \$11,000 over the adopted budget for FY 2022/23. The current contractor's hourly rate has increased by 4.3%, from \$575 to \$600 per hour. The DMO is projected to spend \$32,755 in the current fiscal year compared to the adopted budget of \$24,000, representing a 31% overage. The upcoming year's budget of \$35,000 is based on 58 hours, or 4.8 hours per month. This sum has been estimated due to the projected increase in staff and the increased number of contracts submitted for evaluation by the DMO. The DMO Team will utilize this resource with care to limit expenditures.
  - **Professional Services** reduced by \$35,000 reflecting a FY 2023/24 amount of \$100,000. These services are comprised of the JLL Agreement and the City of Santa Clara's staffing and professional services support for the DMO. The current projected forecast for FY 2022/23 is \$148,410, which is greater than this year's adopted budgeted amount of \$135,000. The increase is due to the necessity for more City hours to train new DMO staff. The JLL Agreement is \$5,000 per month, and the City of Santa Clara's contract is reinforced by Ruth Shikada at \$200 per hour and Nancy Thome at \$181 per hour for their help.
    - **For FY 2023/24 we have estimated the following:**  
The JLL Agreement is active until December 2023. Six months of the JLL contract at \$5,000 per month is \$30,000, and assuming 30 hours per month for staffing and professional services support, with Ruth Shikada at \$200 per hour and Nancy Thome at \$181 per hour, the blended hourly rate is \$191 ( $\$200 + \$181 = \$191$ ).



- **Temp Services.** The budget for Temp Services in FY 2023/24 is \$31,494, representing a savings of \$28,566 compared to the current year's budget of \$60,060. This contract was intended to procure a contractor to manage the Customer Relationship Management system of the DMO (CRM). For FY 2022/23, the contract was for 52-weeks at \$1,155 per week, or \$60,060. The DMO intends for the current contractor to transition into the proposed FTE post of **Manager, Sales Systems & Strategy** in September 2023, once the employee has finished their college fellowship. The budget for FY 2023/24 allocates \$12,747 (\$57.75/hour) for 24 hours per week for the months of July and August 2023, after which this position will become full-time, as shown in the "Convention Sales, Incentive & Services" personnel section. An additional \$6,000 has been budgeted to cover the commission owed to the temp agency as a "finder's fee" and to offer the present contractor a permanent position.
- In FY 2023/24, a line item was added to the budget for **Internal Meetings** for a total of \$12,000. These monies will be used to conduct quarterly strategic team meetings to include the DMO, Convention Center and Levy Sales Teams. This amount will cover an off-site location and food & beverage. The DMO conducted one of these meetings in January 2023 for \$1,711.
- **Office Rent** of \$675 per month or \$8,100 per year has been added to the budget for FY 2023/24 to accommodate the DMO's office space in the Convention Center.
- **The Subscription Services** budget is \$53,807 which reflects a \$36,667 increase from the current adopted budget of \$17,104. Key expense variances are as follows:
  - The **Simpleview CRM System** is budgeted at \$28,600 which represents an increase of \$18,800 over the current year's adopted budget of \$9,800. This is driven by the following:
    - The budgeted yearly subscription cost is \$13,800, a \$4,000 increase from the current year's \$9,800. Monthly subscription fees of \$400 per month in addition to \$1,200 per year for current users, and integration of both the Economic Calculator and Cvent. In addition, there is a \$3,000 license cost paid yearly to have access to the system. This total is equivalent to \$9,000 each year. In addition, we now have seven user licenses for the CRM, three of which belong to the DMO Team. In FY2023/24, we need to add four more licenses for new personnel, including a director of sales, a director of marketing, an additional sales manager, and a marketing coordinator. These licenses cost \$1,200 apiece per year, or \$4,800 for each additional user. Total FY 2023/24 = \$13,800.
    - In January 2023, the Board approved a contract for **ACT-ON** which is Simpleview's Email Platform tool that integrates with the CRM. The annual ACT-ON tool subscription cost will be billed in January 2024. In FY 2022/23, we paid \$10,200 which includes a one-time fee of \$5,400 to kick-start the project and get the Email Platform up and running (currently in process) and the \$4,800 annual subscription fee. These expenses were not part of the current Fiscal Year's adopted budget.
    - There is \$10,000 built into the budget to contract additional Simpleview **support/training hours** needed to support new staff members.

- The budget for FY 2023/24 includes \$15,000 for **The CoStar Group**, which produces the STR Report, the industry-standard benchmarking tool for understanding how one’s organization is performing relative to its competitors. With increased direct sales and marketing efforts, it will be essential to have a STR Report that allows us to examine the market segmentation of our SCTID Hotels against the performance of other competitive cities to determine how we compare. The budgeted amount is used to acquire a STR Report that includes more comprehensive historical data, day of the week and market segmentation performance (group and transient business) by occupancy, average rate, revenue per available room (RevPAR), supply, demand, and revenue data for a rolling 12-month period.

**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 determined 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 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>Contingency</b>	<b>\$35,239</b>	<b>\$66,000</b>	<b>\$30,761</b>

The FY 2023/24 Proposed SCTID Assessment revenue is projected at \$2.2M. The economy is slowly recovering post COVID and while not at pre-COVID levels, is progressing at a slightly higher rate than anticipated. In FY 2021/22, the DMO received \$563,459 more than projected and the DMO is on track to receive \$2M in the current Fiscal Year, approximately \$800K more than projected.

**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 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>City Administration Fee</b>	<b>\$23,429</b>	<b>\$44,000</b>	<b>\$20,571</b>

The proposed contingency and city administration fee budgets were determined using the FY\_2023/24 projected revenue amount of \$2,200,000. Although the SCTID Management District Plan outlines that the estimated annual budget would be \$1,209,862 if maximum assessment rates are adopted (2%), this current FY 2022/23, the DMO is on track to receive \$2,000,000 in TID revenue, with the first quarter generating \$688,954 and the second quarter generating \$664,266. Even though the economy has not entirely recovered post-COVID there are indications that it is recovering at a slightly faster rate than expected. This amount will fluctuate based on the actual amount of revenue received.

**BUDGET SUMMARY:**

The Proposed Operating Budget for FY 2023/24 is \$2,983,672 and the Proposed Reserve Fund Allocation is \$1,193,930.

**Attachments:**

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

**Silicon Valley/Santa Clara, DMO, Inc. Fund Summary (04/06/23 Board of Directors Mtg)**

<b>DMO FUNDS</b>	<b>As of 07/01/2022</b>	<b>Transfer of Funds</b>		
City – TID Account	1,999,756	1,672,356		
Wells Fargo Account	182,727	510,127		
<b>Total Beginning Fund Balance</b>	<b>2,182,482</b>	<b>2,182,482</b>		

A	B	C	D	E
	FY 2022/23 Adopted	YTD 07/01/22- 02/28/23	FY 2022/23 Forecast	FY 2023/24 Proposed
<b>Beginning Fund Balance</b>				
DMO Funds	1,504,481	1,504,481	1,504,481	1,812,166
DMO Reserves	678,001	678,001	678,001	1,193,469
<b>Total Beginning Fund Balance</b>	<b>2,182,482</b>	<b>2,182,482</b>	<b>2,182,482</b>	<b>3,005,635</b>
<b>Total Revenue</b>				
TID Assessment	1,174,623	688,954	2,000,000	2,200,000
Levy Marketing Investment	30,000	30,000	30,000	30,000
OVG360 Marketing Investment	36,000	36,000	36,000	36,000
Other Revenue	-	3,571	3,571	-
<b>Total Revenue</b>	<b>1,240,623</b>	<b>758,525</b>	<b>2,069,571</b>	<b>2,266,000</b>
<b>Total Source of Funds</b>	<b>3,423,105</b>	<b>2,941,007</b>	<b>4,252,053</b>	<b>5,271,635</b>
<b>Expenditures</b>				
Personnel	934,044	242,438	636,271	1,623,229
NonPersonnel	698,871	328,858	570,147	1,250,443
Contingency	35,239	1,711	-	66,000
City Administration Fee	23,429	31,402	40,000	44,000
<b>Total Expenditures</b>	<b>1,691,583</b>	<b>604,409</b>	<b>1,246,418</b>	<b>2,983,672</b>
<b>Ending Fund Balance</b>				
DMO Funds	1,053,521	1,658,597	2,327,634	1,094,494
DMO Reserves	678,001	678,001	678,001	1,193,469
<b>Total Ending Fund Balance</b>	<b>1,731,522</b>	<b>2,336,598</b>	<b>3,005,635</b>	<b>2,287,963</b>
<b>Total Use of Funds</b>	<b>3,423,105</b>	<b>2,941,007</b>	<b>4,252,053</b>	<b>5,271,635</b>

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget			
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>			
<b>Personnel</b>	<b>\$ 457,669</b>	<b>\$ 735,056</b>	<b>\$ 277,387</b>
<b>Salary</b>	<b>\$ 300,000</b>	<b>\$ 480,500</b>	<b>\$ 180,500</b>
1.0 FTE Director of Sales	\$ 112,500	\$ 180,000	\$ 67,500
1.0 FTE Sales Manager	\$ 97,500	\$ 105,000	\$ 7,500
1.0 FTE Sales Manager	\$ 90,000	\$ 120,500	\$ 30,500
1.0 FTE Manager, Sales Systems & Strategy	\$ -	\$ 75,000	\$ 75,000
<b>Incentives</b>	<b>\$ 75,000</b>	<b>\$ 101,375</b>	<b>\$ 26,375</b>
<b>Benefits</b>	<b>\$ 33,934</b>	<b>\$ 68,540</b>	<b>\$ 34,606</b>
Health & Dental	\$ 18,934	\$ 41,124	\$ 22,190
Retirement Plan	\$ 15,000	\$ 27,416	\$ 12,416
<b>Payroll Taxes</b>	<b>\$ 44,415</b>	<b>\$ 79,721</b>	<b>\$ 35,306</b>
<b>Other-Cell Phone Stipend</b>	<b>\$ 1,320</b>	<b>\$ 1,920</b>	<b>\$ 600</b>
<b>Other-Relocation</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ -</b>
<b>Convention Sales, Incentives &amp; Services Expenses</b>	<b>\$ 149,605</b>	<b>\$ 453,275</b>	<b>\$ 303,670</b>
<b>Business Development</b>	<b>\$ 50,000</b>	<b>\$ 150,000</b>	<b>\$ 100,000</b>
<b>Conferences and Tradeshow</b>	<b>\$ 20,700</b>	<b>\$ 47,700</b>	<b>\$ 27,000</b>
Destination International Annual Convention	\$ -	\$ 1,100	\$ 1,100
CalTravel Summit	\$ -	\$ 1,100	\$ 1,100
IMEX North America	\$ 11,800	\$ 15,000	\$ 3,200
TEAMS Conferences & Expo	\$ -	\$ 5,000	\$ 5,000
Connect West	\$ 4,450	\$ 4,500	\$ 50
Connect DC	\$ 4,450	\$ -	\$ (4,450)
CalSAE Seasonal Spectacular	\$ -	\$ 600	\$ 600
PCMA Convening Leaders	\$ -	\$ 2,000	\$ 2,000
Visit Outlook Forum	\$ -	\$ 1,300	\$ 1,300
Simpleview Annual Summit	\$ -	\$ 3,200	\$ 3,200
Destinations International - CEO Summit	\$ -	\$ 1,400	\$ 1,400
Visit California Go West Sales Mission	\$ -	\$ 3,000	\$ 3,000
Helms Briscoe Conference	\$ -	\$ 5,500	\$ 5,500
MPI ACE/WEC	\$ -	\$ 2,000	\$ 2,000
Marketing Conference - Social Media Marketing World	\$ -	\$ 2,000	\$ 2,000
<b>Memberships</b>	<b>\$ 3,015</b>	<b>\$ 12,508</b>	<b>\$ 9,493</b>
Cal SAE	\$ 350	\$ 751	\$ 401
CalTRAVEL	\$ -	\$ 1,900	\$ 1,900
San Francisco Travel	\$ -	\$ 5,250	\$ 5,250
Meeting Professional International (MPI)	\$ 1,665	\$ 2,025	\$ 360
Professional Convention Management Association (PCMA)	\$ 1,000	\$ 2,037	\$ 1,037
Sales & Marketing Executives International	\$ -	\$ 345	\$ 345
NATPE Membership	\$ -	\$ 200	\$ 200
<b>Subscription Services</b>	<b>\$ 32,390</b>	<b>\$ 33,684</b>	<b>\$ 1,294</b>
CVENT	\$ 19,202	\$ 16,836	\$ (2,366)
CVENT	\$ -	\$ 3,000	\$ 3,000

**Silicon Valley/Santa Clara DMO, Inc.**  
**FY 2023/24 Proposed Budget**

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
Knowland	\$ 13,188	\$ 13,848	\$ 660
<b>Support Services</b>	<b>\$ 36,000</b>	<b>\$ 120,300</b>	<b>\$ 84,300</b>
Site Tours	\$ -	\$ 15,000	\$ 15,000
Familiarization Trips	\$ -	\$ 30,000	\$ 30,000
Client Events	\$ 28,000	\$ 20,000	\$ (8,000)
Virtual Happy Hour	\$ 2,000	\$ -	\$ (2,000)
Client Activations	\$ 4,000	\$ 6,000	\$ 2,000
Personalized Greetings	\$ 2,000	\$ 2,400	\$ 400
Promotional Items	\$ -	\$ 20,000	\$ 20,000
Tradeshow Booth Storage	\$ -	\$ 2,400	\$ 2,400
Tradeshow Shipping, Set-Up + Breakdown	\$ -	\$ 24,500	\$ 24,500
<b>Travel &amp; Entertainment</b>	<b>\$ 7,500</b>	<b>\$ 89,083</b>	<b>\$ 81,583</b>
Destination International Annual Convention	\$ -	\$ 2,254	\$ 2,254
CalTravel Summit	\$ -	\$ 1,410	\$ 1,410
IMEX North America	\$ 1,900	\$ 4,749	\$ 2,849
TEAMS Conference + Expo	\$ -	\$ 5,620	\$ 5,620
Connect West	\$ 2,300	\$ 444	\$ (1,856)
Connect DC	\$ 2,800	\$ -	\$ (2,800)
CalSEA Seasonal Spectacular	\$ -	\$ 1,055	\$ 1,055
PCMA Convening Leaders	\$ -	\$ 2,142	\$ 2,142
Visit California Outlook Forum	\$ -	\$ 3,520	\$ 3,520
Simpleview Annual Summit	\$ -	\$ 4,660	\$ 4,660
Destination International – CEO Summit	\$ -	\$ 2,331	\$ 2,331
Visit California Go West Sales Mission	\$ -	\$ 2,380	\$ 2,380
Helms Briscoe	\$ -	\$ 3,960	\$ 3,960
MPI WEC 2024	\$ -	\$ 2,435	\$ 2,435
Social Media Marketing World Conference	\$ -	\$ 2,365	\$ 2,365
Quarterly Sales Trips	\$ -	\$ 22,418	\$ 22,418
Client Entertainment	\$ -	\$ 24,000	\$ 24,000
Mileage Reimbursement	\$ 500	\$ 3,340	\$ 2,840
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$ 607,274</b>	<b>\$ 1,188,331</b>	<b>\$ 581,057</b>
<b>MARKETING &amp; COMMUNICATIONS</b>			
<b>Personnel</b>	<b>\$ -</b>	<b>\$ 339,837</b>	<b>\$ 339,837</b>
<b>Salary</b>	<b>\$ -</b>	<b>\$ 218,794</b>	<b>\$ 218,794</b>
1.0 FTE Director of Marketing	\$ -	\$ 156,294	\$ 156,294
1.0 FTE Marketing Coordinator	\$ -	\$ 62,500	\$ 62,500
<b>As-Needed/Hourly</b>	<b>\$ -</b>	<b>\$ 13,500</b>	<b>\$ 13,500</b>
<b>Incentives</b>	<b>\$ -</b>	<b>\$ 39,074</b>	<b>\$ 39,074</b>
<b>Benefits</b>	<b>\$ -</b>	<b>\$ 31,209</b>	<b>\$ 31,209</b>
Health & Dental	\$ 18,934	\$ 18,726	\$ (208)
Retirement Plan	\$ -	\$ 12,484	\$ 12,484
<b>Payroll Taxes</b>	<b>\$ -</b>	<b>\$ 36,301</b>	<b>\$ 36,301</b>
<b>Other-Cell Phone Stipend</b>	<b>\$ -</b>	<b>\$ 960</b>	<b>\$ 960</b>

**Silicon Valley/Santa Clara DMO, Inc.**  
**FY 2023/24 Proposed Budget**

<b>Budget Item</b>	<b>FY 2022/23 Adopted</b>	<b>FY 2023/24 Proposed</b>	<b>FY 2023/24 Variance</b>
<b>Marketing Expenses</b>	<b>\$ 203,048</b>	<b>\$ 409,683</b>	<b>\$ 206,635</b>
<b>Advertising &amp; Promotions</b>	<b>\$ 75,000</b>	<b>\$ 70,000</b>	<b>\$ (5,000)</b>
<b>Contract Services</b>	<b>\$ 124,460</b>	<b>\$ 339,683</b>	<b>\$ 215,223</b>
Marketing Consultant	\$ 110,000	\$ 66,000	\$ (44,000)
Digital Marketing	\$ -	\$ 110,000	\$ 110,000
Influencer Marketing	\$ -	\$ 10,000	\$ 10,000
Email Marketing	\$ -	\$ 10,000	\$ 10,000
Photography	\$ -	\$ 20,000	\$ 20,000
Videography	\$ -	\$ 30,000	\$ 30,000
Branding	\$ -	\$ 15,000	\$ 15,000
Website Development	\$ -	\$ 60,500	\$ 60,500
Website Hosting	\$ 14,460	\$ 18,183	\$ 3,723
<b>Software Licenses</b>	<b>\$ 3,588</b>	<b>\$ -</b>	<b>\$ (3,588)</b>
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$ 203,048</b>	<b>\$ 749,520</b>	<b>\$ 546,472</b>
<b>ADMINISTRATION</b>			
<b>Personnel</b>	<b>\$ 476,375</b>	<b>\$ 548,336</b>	<b>\$ 71,961</b>
<b>Salary</b>	<b>\$ 335,000</b>	<b>\$ 367,328</b>	<b>\$ 32,328</b>
1.0 FTE CEO	\$ 210,000	\$ 242,828	\$ 32,828
1.0 FTE Administrative Services Manager	\$ 125,000	\$ 124,500	\$ (500)
<b>Incentives</b>	<b>\$ 52,500</b>	<b>\$ 60,707</b>	<b>\$ 8,207</b>
<b>Benefits</b>	<b>\$ 36,796</b>	<b>\$ 52,397</b>	<b>\$ 15,601</b>
Health & Dental	\$ 13,770	\$ 31,438	\$ 17,668
401k	\$ 23,026	\$ 20,959	\$ (2,067)
<b>Payroll Taxes</b>	<b>\$ 46,119</b>	<b>\$ 60,944</b>	<b>\$ 14,825</b>
<b>Other-Cell Phone Stipend</b>	<b>\$ 960</b>	<b>\$ 960</b>	<b>\$ -</b>
<b>Other-Car Allowance</b>	<b>\$ -</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>
<b>Other-Relocation</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ (5,000)</b>
<b>Administrative Expenses</b>	<b>\$ 346,218</b>	<b>\$ 387,485</b>	<b>\$ 41,267</b>
<b>Contract Services</b>	<b>\$ 299,964</b>	<b>\$ 289,776</b>	<b>\$ (10,188)</b>
Audit	\$ 10,000	\$ 15,000	\$ 5,000
Fiscal	\$ 30,904	\$ 65,108	\$ 34,204
Accounting	\$ 20,000	\$ 51,060	\$ 31,060
Tax Preparation	\$ 2,000	\$ 5,000	\$ 3,000
Fiscal Sponsor	\$ 8,904	\$ 9,048	\$ 144
Human Resources	\$ 30,000	\$ 20,000	\$ (10,000)
IT Services	\$ 4,000	\$ 5,574	\$ 1,574
Legal	\$ 24,000	\$ 35,000	\$ 11,000
Payroll	\$ 6,000	\$ 5,600	\$ (400)
Professional Services	\$ 135,000	\$ 100,000	\$ (35,000)
Temp. Staffing Services	\$ 60,060	\$ 31,494	\$ (28,566)
Internal Team Strategy Meetings	\$ -	\$ 12,000	\$ 12,000
<b>Insurance</b>	<b>\$ 11,737</b>	<b>\$ 12,978</b>	<b>\$ 1,241</b>
Business Owners Liability & Property	\$ 1,800	\$ 1,897	\$ 97

**Silicon Valley/Santa Clara DMO, Inc.**  
**FY 2023/24 Proposed Budget**

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
Management Liability	\$ 5,000	\$ 2,946	\$ (2,054)
Professional Cyber Liability	\$ 3,085	\$ 3,283	\$ 198
Workers Comp	\$ 1,852	\$ 4,852	\$ 3,000
<b>Memberships</b>	<b>\$ 1,600</b>	<b>\$ 3,350</b>	<b>\$ 1,750</b>
Destinations International	\$ 1,600	\$ 3,350	\$ 1,750
<b>Mileage Reimbursement</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ (500)</b>
<b>Operating Supplies</b>	<b>\$ 10,900</b>	<b>\$ 10,850</b>	<b>\$ (50)</b>
Bank Fees	\$ 500	\$ 250	\$ (250)
Computers-Hardware	\$ 5,000	\$ -	\$ (5,000)
Licenses	\$ 100	\$ 100	\$ -
Office supplies	\$ 5,000	\$ 8,000	\$ 3,000
Postage/Mailing/Shipping	\$ 300	\$ 2,500	\$ 2,200
<b>Software Licenses</b>	<b>\$ 3,877</b>	<b>\$ 8,124</b>	<b>\$ 4,247</b>
Quickbooks	\$ -	\$ 1,302	\$ 1,302
Adobe Acrobat	\$ -	\$ 2,268	\$ 2,268
Microsoft Office + Email	\$ -	\$ 3,624	\$ 3,624
Zoom	\$ -	\$ 930	\$ 930
<b>Office Rent</b>	<b>\$ -</b>	<b>\$ 8,100</b>	<b>\$ 8,100</b>
<b>Recruitment</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ -</b>
<b>Subscription Services</b>	<b>\$ 17,140</b>	<b>\$ 53,807</b>	<b>\$ 36,667</b>
Simpleview CRM System	\$ 9,800	\$ 28,600	\$ 18,800
Annual Subscription	\$ 9,800	\$ 13,800	\$ 4,000
ACT-ON	\$ -	\$ 4,800	\$ 4,800
Additional Support Hours	\$ -	\$ 10,000	\$ 10,000
Destinations International	\$ 7,340	\$ 7,707	\$ 367
CoStar Group (STR Reports)	\$ -	\$ 15,000	\$ 15,000
Trade Journals/Newspapers	\$ -	\$ 2,500	\$ 2,500
<b>TOTAL ADMINISTRATION</b>	<b>\$ 822,593</b>	<b>\$ 935,821</b>	<b>\$ 113,228</b>
<b>CONTINGENCY</b>	<b>\$ 35,239</b>	<b>\$ 66,000</b>	<b>\$ 30,761</b>
<b>CITY ADMINISTRATION FEE</b>	<b>\$ 23,429</b>	<b>\$ 44,000</b>	<b>\$ 20,571</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,691,583</b>	<b>\$ 2,983,672</b>	<b>\$ 1,292,090</b>

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	Variance + / (-)
Personnel	\$ 934,044	\$ 1,623,229	\$ 689,186
NonPersonnel	\$ 698,871	\$ 1,250,443	\$ 551,572
Contigency	\$ 35,239	\$ 66,000	\$ 30,761
City Administration Fee	\$ 23,429	\$ 44,000	\$ 20,571
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,691,583</b>	<b>\$ 2,983,672</b>	<b>\$ 1,292,090</b>



Revenue	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	
SCTID Assessment	\$ 1,174,623	\$ 2,200,000	\$ 1,025,377	For FY 2022/23, the DMO is tracking to receive TID revenue of approximately \$2M with Q1 = \$688,954 and Q2 = \$664,266. While the economy has not fully recovered, it is recovering at a slightly higher pace than anticipated. In FY 2021/22, TID revenues were also higher than expected.
Levy Marketing Contribution	\$ 30,000	\$ 30,000	\$ -	Per MOU
OVG 360 Marketing Contribution	\$ 36,000	\$ 36,000	\$ -	Per MOU
<b>FY 2023/24 REVENUE</b>	<b>\$ 1,240,623</b>	<b>\$ 2,266,000</b>		

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>				
<b>Personnel</b>	<b>\$ 457,669</b>	<b>\$ 735,056</b>	<b>\$ 277,387</b>	
<b>Salary</b>	<b>\$ 300,000</b>	<b>\$ 480,500</b>	<b>\$ 180,500</b>	
1.0 FTE Director of Sales	\$ 112,500	\$ 180,000	\$ 67,500	Presented current market salary range of \$160,000 - \$180,000 to the Board and received approval to hire this unbudgeted position in the 2022/23 FY Budget. Assume that the role will begin on June 1st, 2023 so any increases would be budgeted in the 2024/25 FY budget. Role includes a 25% bonus potential. This role was in the 2022/23 FY Budget. This role will also have a 25% of annual salary commission paid out to Searchwide Global.
1.0 FTE Sales Manager	\$ 97,500	\$ 105,000	\$ 7,500	Presented current market salary range of \$105,000 - \$120,000 to the Board in February 2023 and received approval. Intent is to bring the current DMO Sales Manager (start date September 2022) to minimum range beginning July 1, 2023. Based upon the 10.5% increase, there will be no budgeted merit increase in FY 2023/24. The FY 2023/24 increase would be based upon merit review. The DMO is currently creating an annual review SOP in addition to a review form and scoring system to calculate increases
1.0 FTE Sales Manager	\$ 90,000	\$ 120,500	\$ 30,500	Presented current market salary range of \$105,000 - \$120,000 to the Board in February 2023 and received approval. Using the higher end of the salary range of \$120,000 for budgeting purposes. Annual increases to range between 1% - 5% and are based upon merit. The DMO is currently creating an annual review SOP in addition to a review form and scoring system to calculate increases. Budgeted 5% annual increase to not go over budget. Put in 5% for June 2023 assuming that the role will start in June 2023. Revised Annual Salary with June increase would be \$126,000. <b>This role was in the FY 2022/23 Budget. Role includes a 25% bonus potential.</b>
1.0 FTE Manager, Sales Systems & Strategy	\$ -	\$ 75,000	\$ 75,000	Salary range for this role is \$61,000 - \$92,000. Budgeting the upper end of the range at \$90,000. The goal is that our current temp. support person will move to a FTE in September 2023 upon completion of their college fellowship. This individual will continue in the temp. role for July + August 2023 (current hourly rate is in the "Temp. Staffing Services" line item #128. No budgeted increase in FY 2023/24 since this is the first full year of this role so would budget increase in FY 2024/25. <b>This position does not have an incentive plan.</b>

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
<b>Incentives</b>	\$ 75,000	\$ 101,375	\$ 26,375	Incentives are capped at 25% of base salary. Incentive payout is based on performance and established goals/KPI's as outlined in the sales manager incentive plan. Incentive plan for the Director of Sales to be developed and approved by the Board prior to the expenditure of any Incentive funds. Added up (3) incentive eligible FY salaries (including amounts that have a 5% increase built in for budgeting purposes) which was \$405,500 x 25% = \$101,375. Current budgeted amount of \$101,375 is based upon all positions achieving 100% to ensure proper budgeting.
<b>Benefits</b>	\$ 33,934	\$ 68,540	\$ 34,606	
Health & Dental	\$ 18,934	\$ 41,124	\$ 22,190	Benefits budgeted at approximately 30% for medical and dental. DMO contributes 85%. The increase compared to the adopted FY 2022/23 budget is because the DMO had adopted budgeted positions that have remained open and the current Sales Manager did not begin until late September. Additionally, the DMO did not have a 401K in place. The variance to the FY 2022/23 budget are due to a full 12-months of benefits, a 401K being put into place and new team members joining with a YOY increase of \$34,606 compared.
Retirement Plan	\$ 15,000	\$ 27,416	\$ 12,416	The goal is to implement a 401K plan for the DMO in FY 2023/24. There is a 5% employer contribution. While in the adopted FY 2022/23 budget, a 401 was not put into place.
<b>Payroll Taxes</b>	\$ 44,415	\$ 79,721	\$ 35,306	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%] Assumptions rates will remain the same (11.75%) as they may be reduced or increased later in the calendar year
<b>Other-Cell Phone Stipend</b>	\$ 1,320	\$ 1,920	\$ 600	Each employee at \$40/month
<b>Other-Relocation</b>	\$ 3,000	\$ 3,000	\$ -	Up to \$3,000/relocation x 1 = \$3,000
<b>Convention Sales, Incentives &amp; Services Expenses</b>	\$ 149,605	\$ 453,275	\$ 303,670	
<b>Business Development</b>	\$ 50,000	\$ 150,000	\$ 100,000	Funds for business development, customer event support such as transportation (P1 and P2). Assumed \$50,000 per seller for the year; CEO, DOS and two Sales Managers. Note that the BD Funds will be used primarily for future P1 and P2's and not groups ITYFTY. The DMO will be creating an "event account" to account for future funds. Additionally, we will be updating the BD Fund SOP for Board Approval.
<b>Conferences and Tradeshow</b>	\$ 20,700	\$ 47,700	\$ 27,000	
Destination International Annual Convention	\$ -	\$ 1,100	\$ 1,100	Destinations International is the definitive resource for professional development and destination management. Educational Sessions and Networking. Conference is <b>7/18-20 2023 in Dallas.</b>
CalTravel Summit	\$ -	\$ 1,100	\$ 1,100	Networking Event <b>9/19-21 2023 in Monterey, CA.</b>
IMEX North America	\$ 11,800	\$ 15,000	\$ 3,200	IMEX America is the largest trade show in the US for the global meetings, events and incentive travel industry. <b>Takes place 10/17-19 2023 in Las Vegas.</b>
TEAMS Conferences & Expo	\$ -	\$ 5,000	\$ 5,000	TEAMS: Travel, Events and Management in Sports, is the world's leading <b>conference</b> and expo for the sports-event industry. <b>Will be held 10/2-5 2023 in Palm Beach, FL.</b>
Connect West	\$ 4,450	\$ 4,500	\$ 50	West Coast-based planners and suppliers converge to do business and build connections. This event will also include Connect Tech for event professionals specializing in events for technology-based companies. <b>Takes place 11/1-3, 2023 in San Francisco.</b>
Connect DC	\$ 4,450	\$ -	\$ (4,450)	

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
CalSAE Seasonal Spectacular	\$ -	\$ 600	\$ 600	CalSAE's Seasonal Spectacular is the premier tradeshow event for the association community on the West Coast. <b>Takes place 12/12, 2023 in Sacramento, CA.</b>
PCMA Convening Leaders	\$ -	\$ 2,000	\$ 2,000	The PCMA Convening Leaders 2024 brings together Suppliers, Meeting Planners, Tourism, Hoteliers, Meeting organizers, Hotel Sales and Meeting professionals. <b>Takes place 1/7-10, 2024 in San Diego,</b>
Visit Outlook Forum	\$ -	\$ 1,300	\$ 1,300	VC Outlook Forum is California's premier travel and tourism event for industry professionals. The dynamic conference attracts about 1,000 attendees representing the C-suite, business owners and emerging leaders from every industry segment and destinations throughout the state. Focus is on sales & marketing initiatives and opportunities. <b>Takes place 3/11-13, 2024 in Palm Springs, CA.</b>
Simpleview Annual Summit	\$ -	\$ 3,200	\$ 3,200	The Simpleview Summit consists of account managers/analysts, CRM Managers, developers and digital marketers. The curriculum consists of educational classes on the busy ways to use the CRM and other Simpleview tools, sharing of new technology and networking/brainstorming on ideas to get more out of the Simpleview ecosystem from a sales and marketing perspective. <b>Takes place in 2024. Dates + Location TBD.</b>
Destinations International - CEO Summit	\$ -	\$ 1,400	\$ 1,400	Annual conference bringing together DMO CEO's and other industry colleagues to be part of educational, networking and brainstorming classes + activities to navigate and overcome the complexities of the current marketplace impacting our business. Thought leaders present about the areas that stand out in our industry as topics to discuss in-depth in order to come up with strategies and solutions <b>Takes place in 2024. Dates + Location TBD.</b>
Visit California Go West Sales Mission	\$ -	\$ 3,000	\$ 3,000	Visit California puts on Sales Missions to ket California destinations that DMO's can join for exposure, client interaction and lead generation. <b>Takes place in 2024. Dates + Location TBD.</b>
Helms Briscoe Conference	\$ -	\$ 5,500	\$ 5,500	This conference is a reverse-trade show format. HB Associates will be seated by region and attendees are be able to go talk to any Associates of their choosing to discuss clients + business opportunities to grow lead volume through HB. <b>Takes place in 2024. Dates + Location TBD.</b>
MPI ACE/WEC	\$ -	\$ 2,000	\$ 2,000	WEC is MPI's signature event, drawing approximately 2,500 event professionals annually. The event aims to provide leading edge education, share the latest industry innovations and ultimately take risks in its design and implementation, so that attendees can glean from its learnings. <b>Takes place in 2024 in St. Louis, MI. Dates TBD.</b>
Marketing Conference - Social Media Marketing World	\$ -	\$ 2,000	\$ 2,000	Social Media Marketing World focuses on four primary areas of social marketing: organic social marketing, paid social, social strategy, and content marketing. <b>2/28-2/20/2024 in San Diego.</b>
<b>Memberships</b>	<b>\$ 3,015</b>	<b>\$ 12,508</b>	<b>\$ 9,493</b>	YOY Increase is due to the addition of more team members in addition to some additional memberships (e.g., for DOM).
Cal SAE	\$ 350	\$ 751	\$ 401	\$420 & \$331/person x 2 (CEO + DOS) includes 5% increase for FY 2023/24 = \$751.00. Assumed that we would sign up DOS in August 2023 and \$420 is the renewal cost for the CEO which comes due in June 2024.
CalTRAVEL	\$ -	\$ 1,900	\$ 1,900	We joined at a Bronze level in Feb. 2022 and we will renew in February 2024. Assumed \$1,800 x 5% increase and rounded to \$1,900.
San Francisco Travel	\$ -	\$ 5,250	\$ 5,250	Joined SF Travel in April 2023 at a pro-rated amount of \$3,750 (April - December 2023) with the normal cost being \$5,000 which will hit the FY 2022/23 FY Budget. Will renew in December 2023 and assumed a 5% increase for a cost of \$5,250.00.
Meeting Professional International (MPI)	\$ 1,665	\$ 2,025	\$ 360	Premiere \$625/person x 3 = \$1,250 + 1st time reg. fee \$50 per person = 2,025. FY 2022/23 Forecast is \$996 which was for one person that is no longer with the DMO. These are not transferable memberships.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Professional Convention Management Association (PCM/	\$ 1,000	\$ 2,037	\$ 1,037	\$485/person x 4 (CEO, DOS + 2 Sales Managers) + 5% = \$2,037.
Sales & Marketing Executives International	\$ -	\$ 345	\$ 345	This is one membership for the Director of Marketing for one of the top marketing associations.
NATPE Membership	\$ -	\$ 200	\$ 200	Largest Marketing Content Association. The Director of Marketing should have a membership.
<b>Subscription Services</b>	<b>\$ 32,390</b>	<b>\$ 33,684</b>	<b>\$ 1,294</b>	
CVENT	\$ 19,202	\$ 16,836	\$ (2,366)	Cvent contract covers a 1-Diamond listing for lead generation system. The FY 2022/23 Cvent Contract ended on March 31, 2023 and we moved to a 15-Month contract to be on a FY cycle for a total contract amount of \$22,484 that will be paid in 4-quarters. The first quarterly payment of \$6,621.12 will be for April - June 2023 will be covered in the FY 2022/23 Budget. The \$16,863.36 is for the remaining 3 quarterly payments of the FY 2023/2024 contract.
CVENT	\$ -	\$ 3,000	\$ 3,000	The Director of Sales needs to have multi-view access of both the DMO and the Convention Centers Cvent accounts. The DMO currently has 2-multi-view access users for our Sales Managers. This is cost that will be renegotiated for the FY 2024/25 Contract.
Knowland	\$ 13,188	\$ 13,848	\$ 660	Knowland is the industry leading prospecting tool. The FY 2022/23 KNowland Contract ended on March 31, 2023 and we moved to a 15-Month contract to be on a FY cycle. The first quarterly payment of \$3,462.00 for April - June 2023 was covered in the FY 2022/23 Budget. The \$13,848 is for the remaining 4 quarterly payments of the 2023/2024 contract. Knowland \$1,154/month for a total 15-month contract price of \$17,310.
<b>Support Services</b>	<b>\$ 36,000</b>	<b>\$ 120,300</b>	<b>\$ 84,300</b>	Including additional expenses for Support Services, with staffing delays and disruptions there was virtually no execution of client events or other activities that fall into this line item. We also added the cost of client giveaways, tradeshow booth storage, tradeshow booth shipping + set-up costs for shows that were not part of the FY 2022/23 budget. These three line items alone is = \$46,900.
Site Tours	\$ -	\$ 15,000	\$ 15,000	Costs to bring in clients to tour the Center: Accommodations, local transportation, food and beverage, etc. This will only be used for P1 + P2 groups where the team feels that we are in the running as one of the top 1-3 locations for a group.
Familiarization Trips	\$ -	\$ 30,000	\$ 30,000	Hosted DMO events. The goal is that the DMO brings a targeted select group of high-profile customers, from a specific vertical/customer segment to the City where they can experience Santa Clara hotels, the Center, venues and attractions and to entertain and educate them on the destination with the goal of capturing more leads and to be considered for future P1 + P2 events. Estimate 2 events x 5 to 10 clients per event. Expectations of a FAM are that the destination pay for airfare, guestrooms, food & beverage and any attractions that the SC team would like the group to experience. It has been assumed for budgeting purposes that the hotels would support with guestrooms at a comp and/or industry rate (\$160) and food & beverage contribution. Additional contributions by hotels, attractions, etc. is an industry standard.
Client Events	\$ 28,000	\$ 20,000	\$ (8,000)	These funds are earmarked to be used for 1-2 local client events to entertain influential meeting planners in the Convention Center to showcase our space, culinary and partners to increase lead volume and to close more business.
Virtual Happy Hour	\$ 2,000	\$ -	\$ (2,000)	Not budgeting anything for virtual happy hours as we come out of Covid.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Client Activations	\$ 4,000	\$ 6,000	\$ 2,000	2 client activations x \$3,000 = \$6,000. These can be at the SCCC, one of our TID Hotels or associated partner and would take the form of breakfasts, lunches, dinners or office visits to key accounts that center around something that makes Santa Clara a unique and desired destination.
Personalized Greetings	\$ 2,000	\$ 2,400	\$ 400	These funds will be used to provide a top meeting planner with something unique to Santa Clara or personalized to something that we have uncovered that they like or have an interest in. This will help us to stand out from the competition.
Promotional Items	\$ -	\$ 20,000	\$ 20,000	These promotional items (tchotchke's) would be used for client giveaways at Tradeshows and on sales calls.
Tradeshow Booth Storage	\$ -	\$ 2,400	\$ 2,400	Awaiting word on storage costs from the final vendor we select to build our Tradeshow Booth. Have been provided the estimate of \$600 per quarter or \$2,400 for the FY 2023/24 which is what is in the budget as a place holder.
Tradeshow Shipping, Set-Up + Breakdown	\$ -	\$ 24,500	\$ 24,500	The DMO has budgeted for 5-Shows that will require our Tradeshow Booth. Assumed the following costs: Shipping of booth at \$1,500 each way so \$3,000 R/T per show. Booth Set-Up at \$191/hour (estimated as union rates vary per city + 5% increase assumed) X 5 hours = \$955 x 2 people = \$1,910 for booth set-up + teardown per show. Total show shipping + set-up/breakdown cost = \$4,910.
<b>Travel &amp; Entertainment</b>	<b>\$ 7,500</b>	<b>\$ 89,083</b>	<b>\$ 81,583</b>	Employee travel and entertainment costs associated directly with the proposed conference/tradeshows listed under " <b>Conferences &amp; Tradeshows</b> " starting at line #27. T&E trip cost calculations are based upon the Ssn Francisco Government Per Diem: - Roundtrip Airfare = \$550 - 4 Days for Meals (\$18 x 4 + \$72; \$20 x 4 = \$80 and \$35 x 4 = \$140) = 292 - 3 Night Hotel Stay x \$292 = \$876 - \$5 Incidentals x 3 = \$15 - Transportation = \$300. Please see Conference Calculator for details. Client entertainment in is a separate line item.
Destination International Annual Convention	\$ -	\$ 2,254	\$ 2,254	Based upon 1 Attendee = CEO
CalTravel Summit	\$ -	\$ 1,410	\$ 1,410	Based upon 1 Attendee = CEO
IMEX North America	\$ 1,900	\$ 4,749	\$ 2,849	Based upon 3 Attendees = CEO, Sales Manager + Director of Sales
TEAMS Conference + Expo	\$ -	\$ 5,620	\$ 5,620	Based upon 2 Attendees = Sales Manager + Director of Sales
Connect West	\$ 2,300	\$ 444	\$ (1,856)	Based upon 1 Attendee = Sales Manager
Connect DC	\$ 2,800	\$ -	\$ (2,800)	N/A
CalSEA Seasonal Spectacular	\$ -	\$ 1,055	\$ 1,055	Based upon 2 Attendees = Sales Manager + Director of Sales
PCMA Convening Leaders	\$ -	\$ 2,142	\$ 2,142	Based upon 1 Attendee = Director of Sales
Visit California Outlook Forum	\$ -	\$ 3,520	\$ 3,520	Based upon 2 Attendees = CEO + Director of Marketing
Simpleview Annual Summit	\$ -	\$ 4,660	\$ 4,660	Based upon 2 Attendees = CEO + Director of Marketing
Destination International - CEO Summit	\$ -	\$ 2,331	\$ 2,331	Based upon 1 Attendee = CEO
Visit California Go West Sales Mission	\$ -	\$ 2,380	\$ 2,380	Based upon 1 Attendee = CEO or Director of Sales

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Helms Briscoe	\$ -	\$ 3,960	\$ 3,960	Based upon 2 Attendees = Sales Manager + Director of Sales
MPI WEC 2024	\$ -	\$ 2,435	\$ 2,435	Based upon 1 Attendee = Sales Manager or Director of Sales
Social Media Marketing World Conference	\$ -	\$ 2,365	\$ 2,365	Based upon 1 Attendee = Director of Marketing
Quarterly Sales Trips	\$ -	\$ 22,418	\$ 22,418	This line item covers sales trips that are in addition to Tradeshows. A Sales Trip is defined as a trip to a specific city outside of your business location that hosts a medium - high concentration of current or potential meeting planners that book business into your city or region. These trips can also be to a specific city that generates a high volume of bookings for a specific market segment (e.g., Washington, DC & Association Business) to your city or region. The purpose of a business trip is to further the goals and objectives of the organization and to facilitate business relationships, networking, and expansion. Planning as follows: CEO = 2 Trips; DOS = 2 Trips, Sales Managers = 3 x 2 sellers = 6 Trips and DOM = 1 Trip for a total of 11 Trips. Assumed the following calculations based upon SF Government Per Diem: - Roundtrip Airfare = \$550 - 4 Days for Meals (\$18 x 4 + \$72; \$20 x 4 = \$80 and \$35 x 4 = \$140) = 292 - 3 Night Hotel Stay x \$292 = \$876 - \$5 Incidentals x 3 = \$15 - Transportation = \$300 <b>Total per Sales Trip Cost = \$2,038.00 x 11 Trips = \$22,418.</b>
Client Entertainment	\$ -	\$ 24,000	\$ 24,000	<b>NEW LINE ITEM for FY 2023/24.</b> These funds are earmarked to be used for smaller segment specific client events and client entertaining locally and on the road (e.g., dining out) depending on what makes sense for the client/DMO. This provides each selling team member (5ppl = CEO, DOS, 2 Sales Managers + DOM) \$400 per month or \$4,800 annually to entertain clients.
Mileage Reimbursement	\$ 500	\$ 3,340	\$ 2,840	Built in 5,100 miles for the FY for 4 people. Assuming that the DOS and two Sales Managers drive 125 miles per month for a total of 4,500 miles (125 x 3 = 375 x 12 = 4,500) and the DOM to travel 100 miles every other month for meetings, etc. for a total of 600 miles for the year. Total mileage of 5,100 x reimbursed mileage rate of 0.655 = \$3,040. Divided monthly. Moved this line item to T&E for FY 2023/24.
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$ 607,274</b>	<b>\$ 1,188,331</b>	<b>\$ 581,057</b>	
<b>MARKETING &amp; COMMUNICATIONS</b>				
<b>Personnel</b>	<b>\$ -</b>	<b>\$ 339,837</b>	<b>\$ 339,837</b>	
<b>Salary</b>	<b>\$ -</b>	<b>\$ 218,794</b>	<b>\$ 218,794</b>	
1.0 FTE Director of Marketing	\$ -	\$ 156,294	\$ 156,294	Presented current market salary range of \$150,000 - \$170,000 to the Board and received approval to hire this unbudgeted position in the 2022/23 FY Budget. We made an offer to a candidate to begin May 1st, 2023 at \$155,000. <b>This role will have 25% incentive potential.</b> Annual increases to range between 1% - 5%. Budgeted 5% annual increase to not go over budget. Budgeted 5% increase to begin on May 1, 2024 which would bring the annual salary to \$162,750. The DMO is currently creating an annual review SOP in addition to a review form and scoring system to calculate increases.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
1.0 FTE Marketing Coordinator	\$ -	\$ 62,500	\$ 62,500	Salary range for this role is \$45,000 – \$76,000. Budgeting the upper end of the range at \$75,000. In the event that this role is approved, there will be no budgeted increase, as we would hire in the FY 2023/24 budget and budget an increase in the FY 2024/25 budget. <b>No incentive potential.</b>
<b>As-Needed/Hourly</b>	\$ -	\$ 13,500	\$ 13,500	We currently need to have a major focus on sales & marketing and PR support to support press releases into key industry publications and to conduct media outreach on behalf of the DMO. Signing up a full-time PR Consultant would cost us about \$60,000 for the FY so we will be budgeting an amount for an "on-need basis" to ensure that we have support to get our marketing efforts communicated to the proper trades, in addition to preparation for media interviews, etc. Have assumed a monthly need of 5-hours at an hourly rate of \$225 for a total of \$1,125 per month.
<b>Incentives</b>	\$ -	\$ 39,074	\$ 39,074	Incentive for the Director of Marketing is capped at 25% of base salary. Incentive payout is based on performance and established goals/KPI's. Incentive plan + KPI's for the Director of Marketing to be developed and approved by the Board prior to the expenditure of any Incentive funds. Multiplied salary of \$156,294 x 25% = \$39,074. Current budgeted amount is based upon all positions achieving 100% to ensure proper budgeting. <b>Note that the Marketing Coordinator does not have an incentive plan.</b>
<b>Benefits</b>	\$ -	\$ 31,209	\$ 31,209	
Health & Dental	\$ -	\$ 18,726	\$ 18,726	Benefits budgeted at approximately 30% for medical and dental. DMO contributes 85%. The increase compared to the adopted FY 2022/23 budget is because we did not have any positions budgeted in Marketing in FY 2022/23 whereas we have a Director of Marketing and proposed Marketing Coordinator role for FY2023/24. Additionally, the DMO did not have a 401K in place. The variance to the FY 2023/24 budget are due to a full 12-months of benefits, a 401K being put into place and these two new team members joining the DMO. The YOY increase is \$37,209..
Retirement Plan	\$ -	\$ 12,484	\$ 12,484	The DMO will be implementing a 401K plan for the FY 2023/24. The DMO will contribute up to 5% of the employee's salary to the plan (as a match to the employee's contribution of up to 5%).
<b>Payroll Taxes</b>	\$ -	\$ 36,301	\$ 36,301	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%] Assumptions rates will remain the same (11.75%) as they may be reduced or increased later in the calendar year.
<b>Other-Cell Phone Stipend</b>	\$ -	\$ 960	\$ 960	Each employee at \$40/month
<b>Marketing Expenses</b>	\$ 203,048	\$ 409,683	\$ 206,635	
<b>Advertising &amp; Promotions</b>	\$ 75,000	\$ 70,000	\$ (5,000)	Keeping close to the same FY 2022/23 budget for FY 2023/24 (minus \$5,000). Monies used for creative creation for Sales Collateral, and Print + Media Materials. Will also support high-profile industry sponsorships to gain exposure for the City (e.g., Visit California, CalTravel, etc.).
<b>Contract Services</b>	\$ 124,460	\$ 339,683	\$ 215,223	Marketing firm or individual to manage marketing projects, digital marketing, newsletters, design services. Includes additional \$36,000 OVG360 and \$30,000 Levy contribution.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Marketing Consultant	\$ 110,000	\$ 66,000	\$ (44,000)	In the FY 2022/23 Budget, the Marketing Services line item included the monthly retainer fee in addition to marketing funds which accounts for the large YOY variance. These costs have been broken-down for the FY 2023/24 Budget to more easily identify expenses. The \$110,000 budgeted in FY 2022/23 was for the marketing firm and all of the marketing dollars provided for the marketing firm to execute on marketing (a total of \$44,000), much of which was not spent in FY 2022/23 with the delay in bringing on the CEO. <b>This current line item is only representative of the monthly retainer fee of \$5,500 per month.</b>
Digital Marketing	\$ -	\$ 110,000	\$ 110,000	In FY 2022/23 we were not able to do the necessary marketing campaigns necessary due to staffing changes and guidance to the DMO's Marketing Firm. In the FY 2022/23 Budget, we only have \$1,500 per month for PPC Campaigns which is anemic even for an established business. With the DMO having been dark for the past 4-years, we need to over index in the marketing arena to gain awareness, better understand who our customers are to craft more strategic messaging in the future and to fill the sales funnel with leads. Currently, the \$1,500 is split between Bay Area + National Campaigns. With the roughly \$9,166 per month we will be able to make a more significant footprint in these two areas which is critical to the DMO's future success. FY 2022/23 we are forecasted at \$57,754 for Digital Marketing which only began in February 2023 so it is not even representative of a full FY. FY 2023/23 budget is \$110,000.
Influencer Marketing	\$ -	\$ 10,000	\$ 10,000	The DMO would like to begin to test some influencer marketing involving endorsements from influencers, people and organizations who have purported expert level knowledge or social influence in their field. This will help gain us access to diverse audiences and grow our social following.
Email Marketing	\$ -	\$ 10,000	\$ 10,000	Goal is to have an Email Campaign on a Monthly Basis to diverse market segments to build awareness and promote seasonal need periods for the City + Partners.
Photography	\$ -	\$ 20,000	\$ 20,000	The DMO will need to invest in some photography to build our content library. The DMO is currently relying on stock imagery which is not representative of the DMO and our partners. Images can be used for the website, social media, Google Ads and sales collateral. Put the full amount in September
Videography	\$ -	\$ 30,000	\$ 30,000	The DMO will need to invest in some key videos for the DMO to build our content library. We currently do not have video. The plan is to create a longer/master highlight reel video that addresses multiple market segments and the destination with the intent on splicing these into smaller videos to use for specific target audiences. This is the most cost efficient approach. Video will be used for the website, social media, LinkedIn, Google Ads, tradeshow and sales presentations. The total amount includes production/splicing costs. Budgeted the full amount in September 2023.
Branding	\$ -	\$ 15,000	\$ 15,000	Once the team is in place it will be important to have a branding meeting led by a branding expert to help us answer "Why Santa Clara?" so that we can land on key messaging that can then be crafted into diverse stories that speak to specific market segments (e.g., groups/meetings, social events, leisure business, etc.). This will help the DMO to secure greater exposure, leads, and business.
Website Development	\$ -	\$ 60,500	\$ 60,500	The goal is to redesign the current DMO Website to provide a richer and more diverse experience to our group, meeting and leisure customers. A new site map that provides diverse audience content will support investments on the marketing side to drive traffic, and keep people engaged while on the site with the goal of meeting planners completing an RFP. We need to enhance the site to also support the DMO's goal of marketing the destination with updated events and reasons to come/stay in Santa Clara. We will need to complete an RFP for this process.



Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Website Hosting	\$ 14,460	\$ 18,183	\$ 3,723	Website hosting costs in addition to work for additional landing pages + widgets. <b>If we opt to evolve the Website the company selected could also host the website which would save us this \$18,813 expended with the current hosting vendor.</b>
<b>Software Licenses</b>	<b>\$ 3,588</b>	<b>\$ -</b>	<b>\$ (3,588)</b>	This line was formerly for the Email Platform MailChimp which is now covered via our ACT-ON Tool.
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$ 203,048</b>	<b>\$ 749,520</b>	<b>\$ 546,472</b>	
<b>ADMINISTRATION</b>				
<b>Personnel</b>	<b>\$ 476,375</b>	<b>\$ 548,336</b>	<b>\$ 71,961</b>	
<b>Salary</b>	<b>\$ 335,000</b>	<b>\$ 367,328</b>	<b>\$ 32,328</b>	
1.0 FTE CEO	\$ 210,000	\$ 242,828	\$ 32,828	CEO brought on October 17, 2022 at \$235,000 base salary. Annual increases to range between 1% - 5 based upon merit and achievement of outlined goals/KPI's. Budgeted 5% annual increase to protect the budget. The DMO is currently creating an annual review SOP in addition to a review form and scoring system to calculate merit increases. FY 2022/23 Forecast is \$169,693 because the role began on October 17, 2022. The full annual salary if a 5% increase was granted would be \$246,750. Budgeted increase to begin on November 1, 2023 with a blended salary of \$242,828.
1.0 FTE Administrative Services Manager	\$ 125,000	\$ 124,500	\$ (500)	Upgraded from an Administrative Assistant title with FY 2022/23 salary of \$120,000 (max on range was \$125,000). Budgeted 5% annual increase to protect the budget. The DMO is currently creating an annual review SOP in addition to a review form and scoring system to calculate merit increases. FY 2022/23 Forecast is \$92,308 because the role started in September. Budgeted increase to begin on October 1st, 2023 with a blended salary of \$124,500. Annual Salary with June increase would be \$126,000
<b>Incentives</b>	<b>\$ 52,500</b>	<b>\$ 60,707</b>	<b>\$ 8,207</b>	Incentive for the CEO is capped at 25% of base salary. Incentive payout is based on performance and achievement of established goals/KPI's as outlined in the incentive plan. Calculated salary of \$242,828 (includes 5% increase in October 2023) x 25% = \$60,707. Current budgeted amount is based on the CEO achieving 100% of incentive to ensure proper budgeting. <b>Note that the Administrative Services manager role does not have an incentive plan.</b>
<b>Benefits</b>	<b>\$ 36,796</b>	<b>\$ 52,397</b>	<b>\$ 15,601</b>	
Health & Dental	\$ 13,770	\$ 31,438	\$ 17,668	Benefits budgeted at approximately 30% for medical and dental. DMO contributes 85%. The increase compared to the adopted FY 2022/23 budget is because we had budgeted positions that have remained open and the current CEO and Administrative Services Manager did not begin until late September and October 2022 respectively. Additionally, the DMO did not have a 401k in place. The variance to the FY 2023/24 budget are due to a full 12-months of benefits, a 401k being put into place with a YOY increase of \$15,601.
401k	\$ 23,026	\$ 20,959	\$ (2,067)	The goal is to implement a 401k plan for the DMO in the FY 2023/24. There is a 5% employer contribution.
<b>Payroll Taxes</b>	<b>\$ 46,119</b>	<b>\$ 60,944</b>	<b>\$ 14,825</b>	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%] Assumptions rates will remain the same (11.75%) as they may be reduced or increased later in the calendar year
<b>Other-Cell Phone Stipend</b>	<b>\$ 960</b>	<b>\$ 960</b>	<b>\$ -</b>	Each employee at \$40/month
<b>Other-Car Allowance</b>	<b>\$ -</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>	Car allowance as outlined in CEO contract at \$500/month.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Other-Relocation	\$ 5,000	\$ -	\$ (5,000)	
Administrative Expenses	\$ 346,218	\$ 387,485	\$ 41,267	
Contract Services	\$ 299,964	\$ 289,776	\$ (10,188)	FY 2022/23 Forecast for Contract Services is \$369,250. For FY 2023/24 we will have budgeted \$289,776 for a YOY savings of \$10,188. The savings is primarily driven through the Professional Services and Temp Services Contracts.
Audit	\$ 10,000	\$ 15,000	\$ 5,000	This amount is for the Annual 2022/23 FY Audit. This amount sufficient for one audit. Once we complete and get our Financial SOP's we will gain custody of our DMO budget. Once this happens it will trigger an audit.
Fiscal	\$ 30,904	\$ 65,108	\$ 34,204	Accounting Services = \$51,060 Tax preparation, other needs outside of monthly = \$5,000 Maintaining City Fiscal Services at increased rate of \$754/month for FY 2023/24 (FY 2022/23 rate of \$725 x 4% increase) = \$9,048 for the FY. Once the DMO has approved Financial SOP's and gains custody of the budget, we will not require City Fiscal Services, however do not have a set date and maintaining contract to be safe. YOY increase of \$11,662 in Fiscal Services based upon FY 2022/23 forecast of \$53,446.
Accounting	\$ 20,000	\$ 51,060	\$ 31,060	The total accounting services contract will be for \$51,060 to cover monthly accounting costs and any tweaks to the Financial SOP's currently being drafted for the DMO.
Tax Preparation	\$ 2,000	\$ 5,000	\$ 3,000	The expenses for tax prep in FY 2022/23 were based upon back taxes that needed prep + filing for 2019-2022 returns. For FY 2023/24, we should be caught-up and only pay for 2023 tax filings. Cost is \$3,100 + \$1,500 for meetings/data = \$4,600. Rounded up to \$5,000 to cover anything additional that might arise. Note that for FY 2022/23, the DMO is already overspent in this area due to the corrections that need to be made to the former filings. For the forecast, \$15K was added based on the invoices already paid this year.
Fiscal Sponsor	\$ 8,904	\$ 9,048	\$ 144	City Fiscal Services est. FY 2022/23 at a Rate of \$725/month = \$8,700. Contract expires in January 2023 and while the DMO is in the process of having Financial SOP's written for approval in order to gain custody of the budget, we have budgeted for fiscal sponsorship through the FY 2023/24 to be safe. In the event that we gain custody of the DMO budget we will not require Fiscal Services. Increased hourly rate of \$725 by 4% for a revised rate of \$754 for a contract total of \$9,048.
Human Resources	\$ 30,000	\$ 20,000	\$ (10,000)	HR-related administrative functions: recruitment, hiring and on-boarding coordination, policy development, compliance, payroll management. While we are forecasted to finish FY 2022/23 at only \$2,974, we are keeping the FY 2023/24 budget at \$20,000 to match current year adopted budget to accommodate additional staff member needs, in addition to looking at other ways the DMO can leverage our HR consultant to make the DMO more efficient.
IT Services	\$ 4,000	\$ 5,574	\$ 1,574	Smart City is our provider and for IT, standard telephone and broadband services. They stated that there will be no YOY increases. FY 2023/24 expense breakdown is as follows: \$278/month for Internet = \$3,312; Support Services = \$750 annually, (add lines, staff support, etc.) and \$14/month per phone line for 9 phone lines (8 for team members + general DSC line) = \$14 x 9 = 126 x 12 = \$1,512. Total 12-month cost is \$5,574. Increase due to additional phone lines in anticipation of additional team members being added.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Legal	\$ 24,000	\$ 35,000	\$ 11,000	Current outside contractor agreement. The hourly rate has increased by 4.3% from \$575/hour to \$600/hour. We are currently forecasted to pay \$32,755 to a budget of \$24,000 which is an overage of 31%. We are budgeting \$35,000 for FY 2023/24 due to the increase of staff and anticipation of more contracts coming into the DMO for review. The DMO Team will be diligent in the use of the FY The budget of \$35,000 for a total of 58 hours annually or 4.8 hours per month.
Payroll	\$ 6,000	\$ 5,600	\$ (400)	ADP payroll \$80.54/pay period \$2,094 Time Portal Added for FY 2022/23 of \$50/month = \$600 ADP 401k Administration = \$210/month = \$2,520 One-Time fee to generate W-2's for team in January 2023. Total of \$5,600 for FY 2023/24 broken out monthly.
Professional Services	\$ 135,000	\$ 100,000	\$ (35,000)	Current FY 2022/23 FY Forecast is \$148,410. This is for a full 12-months of the following fees The JLL Agreement is \$5,000/month = \$60,000 City of Santa Clara Hours for both (RS) = at \$200 per hour and (NT) at \$181 per hour. <b>For FY 2023/24 we have estimated the following:</b> JLL Agreement expires 12/2023 so assumed \$5,000/month X 6 months = \$30,000 Have assumed \$5,833/month for the City of Santa Clara's staffing and professional services support to include both (RS) at \$200 per hour and (NT) at \$181/hour. Took blended hourly rate of \$191 (\$200 + \$181 = \$191) which is 30/hours per month for support from both (RS) and (NT). Contract Hours for (NT) will be for continued support of DMO and any vacation coverage needed for DMO Admin. Services Mgr. vacation coverage for Board Meetings, etc. This will be on an "as needed basis," however put in dollars per month to protect the budget. <b>Total Professional Services for FY 2023/24 = \$100,000.</b>
Temp. Staffing Services	\$ 60,060	\$ 31,494	\$ (28,566)	This contract was with California People Search for our temp contractor to serve as our CRM Manager. Contract was for 52 weeks x \$1,155/week = \$60,060 for FY 2022/23. We have budgeted for their hours \$12,747 (57.75 /hour) at 24 hours per week for July + August 2023 at which point this will become a FTE as "Manager of Systems & Strategy" which is reflected in the " <b>Convention Sales, Incentive &amp; Services</b> " S+W's section as a new role beginning in September 2023. We also budgeted \$6,000 which is the commission we owe the temp agency for a finders fee and offering a permanent role to the current contractor.
Internal Team Strategy Meetings	\$ -	\$ 12,000	\$ 12,000	Budgeting for 4 Strategic Team Meetings to include the DMO; Convention Center and Levy Sales Teams. This amount will cover an off-site location and food & beverage. Conducted one of these meetings in January 2023.
<b>Insurance</b>	<b>\$ 11,737</b>	<b>\$ 12,978</b>	<b>\$ 1,241</b>	Roll-Up of all Vantreo insurance costs below. Added 4% to FY 2023/24.
Business Owners Liability & Property	\$ 1,800	\$ 1,897	\$ 97	Forecasted to finish FY 2022/23 at \$1,824 with a confirmed 4% increase from the broker for a FY 2023/24 amount of \$1,897.
Management Liability	\$ 5,000	\$ 2,946	\$ (2,054)	Forecasted to finish 2022/23 at \$2,833 with a confirmed 4% increase from the broker for a FY 2023/24 amount of \$2,946.
Professional Cyber Liability	\$ 3,085	\$ 3,283	\$ 198	Forecasted to finish FY 2022/23 at \$3,157 with a confirmed 4% increase from the broker for a FY 2023/24 amount of \$3,283.
Workers Comp	\$ 1,852	\$ 4,852	\$ 3,000	Disability Insurance is \$632 per person on an annual basis. This rate includes a YOY 4% increase. In July + August we will only have 6-employees, but have budgeted for a total of 8-employees as of September.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
<b>Memberships</b>	\$ 1,600	\$ 3,350	\$ 1,750	
Destinations International	\$ 1,600	\$ 3,350	\$ 1,750	Current contract runs until December 31, 2023 which was \$3,190.00. Assumed 5% increase for total of \$3,350.00 or FY 2023/24. Will pay bill in December 2023.
<b>Mileage Reimbursement</b>	\$ 500	\$ -	\$ (500)	
<b>Operating Supplies</b>	\$ 10,900	\$ 10,850	\$ (50)	
Bank Fees	\$ 500	\$ 250	\$ (250)	Cutting the FY2022/23 Budget by 50% to \$250 for roughly \$20/Month.
Computers-Hardware	\$ 5,000	\$ -	\$ (5,000)	Computer equipment package for three new team members + one backup computer will be needed for the Director of Sales; Sales Manager #2; and Marketing Coordinator. Assuming \$2,500 x 4 = \$10,000. <b>We did not budget in this FY as we will purchase in the current fiscal year budget since we have a surplus of funds.</b>
Licenses	\$ 100	\$ 100	\$ -	City Business License
Office supplies	\$ 5,000	\$ 8,000	\$ 3,000	Forecasted to end the FY 2022/23 FY at \$3,737 which will be higher as we will have a Director of Marketing come on in May FY 2022/23 and we add more team members in FY 2023/24. The FY 2023/24 budget of \$8,000 equates to \$1,000 per person for the year. Includes business cards for 8 team members.
Postage/Mailing/Shipping	\$ 300	\$ 2,500	\$ 2,200	Will spend roughly \$1,000 in FY 2022/23. DMO will have some occasions to send collateral and/or gifts via mail (e.g., V-Day Cookies to clients, etc.). Overage for FY 2022/23 was for cookie baskets sent to top 10 customers for V-Day and the bill will be paid in March 2023 for roughly \$845.00.
<b>Software Licenses</b>	\$ 3,877	\$ 8,124	\$ 4,247	Roll-up of expenses for QuickBooks; Adobe; Microsoft Office; Email and DMO's Zoom subscription. Additional costs driven by increase in DMO team members.
QuickBooks	\$ -	\$ 1,302	\$ 1,302	QuickBooks subscription forecasted to finish FY 2022/23 at \$1,240. Added 5% increase for FY 2023/24 for a total of \$1,302 divided monthly.
Adobe Acrobat	\$ -	\$ 2,268	\$ 2,268	Adobe subscription for DMO Team Members. Forecasted to finish FY 2022/23 at \$993 for 3 subscriptions. Added 5% increase for FY 2023/24 and have subscriptions for 8-team members x \$21/month, per person for a total of \$2,268.
Microsoft Office + Email	\$ -	\$ 3,624	\$ 3,624	Microsoft Office subscription for DMO Team Members. Forecasted to finish FY 2022/23 at \$1,220 for 5 subscriptions. Added 5% increase for FY 2023/24 and have subscriptions for 8-team members as follows; 8 x \$22/month x 12 months = \$2,112 divided monthly or \$176/month.. Also included Email in this line item which is for 21 people x \$6 each = \$126 per month x 12 = \$1,512. Total line item is = \$3,624
Zoom	\$ -	\$ 930	\$ 930	Zoom subscription used for Board Meetings. Forecasted to finish FY 2022/23 at \$885. Added 5% increase for FY 2023/24 for a total of \$930 divided monthly.
<b>Office Rent</b>	\$ -	\$ 8,100	\$ 8,100	This is a new expense for FY 2023/24. The Convention Center will be charging the DMO annual rent calculated at \$18/sq. ft. x 450 sq. ft. = \$8,100 per year to be paid monthly.
<b>Recruitment</b>	\$ 500	\$ 500	\$ -	Job postings/announcements. FY 2022/23 is forecasted to come in at \$26,995 which is for CEO search by SearchWorldwide. We have retained the same firm to secure our DOS role, but will pay this fee from the FY 2022/23 budget.
<b>Subscription Services</b>	\$ 17,140	\$ 53,807	\$ 36,667	
Simpleview CRM System	\$ 9,800	\$ 28,600	\$ 18,800	Supports costs for centralized Customer Relations Management (CRM) System used/accessible to DMO, Spectra, Levy and TID Hotels. This number includes expenditures for the additional CRM Hours + ACT-ON.

Silicon Valley/Santa Clara DMO, Inc. FY 2023/24 Proposed Budget- Detail				
Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
Annual Subscription	\$ 9,800	\$ 13,800	\$ 4,000	integration which is \$1,200 annually and \$3,000 annual licensing for SCCC and Levy GM's (current users + EIC + CVENT integration) = \$9,000/12 months. We currently have 7 total user licenses for Simpleview; 3 of which are for the DMO Team. We need to add 4 more licenses in FY 2023/24 for DOS, DOM, additional Sales Manager and Marketing Coordinator. These licenses are \$1,200 each annually = \$4,800 for additional new users. Total FY 2023/24 = 13,800.
ACT-ON	\$ -	\$ 4,800	\$ 4,800	Annual ACT-ON Tool Subscription Cost billed in January. In FY 2022/23 we paid a one-time fee of \$4,400 to kick-start the project and get the Email Platform up and running (currently in process).
Additional Support Hours	\$ -	\$ 10,000	\$ 10,000	Will need to contract additional hours to support training of new team members that join the DMO.
Destinations International	\$ 7,340	\$ 7,707	\$ 367	Event Impact Calculator (EIC) used for Meetings and Local/Public Events. FY 2022/23 Contract was paid in December 2022 at \$7,340. Contract expires January 2024 with an assumed increase of 5% = \$7,707 to be paid in February 2024.
CoStar Group (STR Reports)	\$ -	\$ 15,000	\$ 15,000	Looking to have an enhanced STR Report for the DMO whereby we can look at market segmentation of our TID Hotels in addition to other competitive cities performance to gage how we are doing in comparison. Cost breakdown covers: 1. Additional information to current SCTID Hotels STR to include the following for \$4,500 annually: •Shows Total, Group, Transient, and Contract data points. •Occupancy, ADR, RevPAR, Supply, Demand, and Revenue •Shows 18 months of historical data, Year to Date, and Running 12-month w/ comparison to previous year. •Shows aggregated total for each day of week (Saturday, Sunday, Monday, etc.) for the entire month. •Also includes a section for Weekday (Sun-Thu) and Weekend (Fri-Sat) numbers. •Shows Current Month, Year to Date, and Running 12 Month numbers for each day. •All 6 KPI's (Occ, ADR, RevPAR, Supply, Demand, Revenue) 2. Add Competitive City Performance Report to include the following for \$3,600 annually: •Allows you to compare the performance of your area to similar communities of your choice. •Shows Current Month and Year to Date numbers (with comparison to previous year). •Occupancy, ADR, RevPAR, Supply, Demand and Revenue. 3. Have padding for additional \$4,020, as there are other competitive report opportunities and we will have some one-off, specialized reports.
Trade Journals/Newspapers	\$ -	\$ 2,500	\$ 2,500	Will utilize these monies for any industry subscriptions that the sales + marketing team will need to keep up on trends.
<b>TOTAL ADMINISTRATION</b>	<b>\$ 822,593</b>	<b>\$ 935,821</b>	<b>\$ 113,228</b>	
<b>CONTINGENCY</b>	<b>\$ 35,239</b>	<b>\$ 66,000</b>	<b>\$ 30,761</b>	Per the Management District Plan, 3% of estimated annual TID Assessment. Estimating Fund to be \$2.2M for FY 2023/24.
<b>CITY ADMINISTRATION FEE</b>	<b>\$ 23,429</b>	<b>\$ 44,000</b>	<b>\$ 20,571</b>	Per the Management District Plan, 2% of annual estimated TID Assessment. Estimating Fund to be \$2.2M for FY 2023/24. Based on the increased revenues received from projection in F 2021/22 and current FY that expected, continued growth is anticipated and FY 2023/24 is estimated at a higher amount considering the upward trajectory.

**Silicon Valley/Santa Clara DMO, Inc.  
FY 2023/24 Proposed Budget- Detail**

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance	Notes
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,691,583</b>	<b>\$ 2,983,672</b>	<b>\$ 1,292,090</b>	

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	Variance + / (-)
Personnel	\$ 934,044	\$ 1,623,229	\$ 689,186
NonPersonnel	\$ 698,871	\$ 1,250,443	\$ 551,572
Contingency	\$ 35,239	\$ 66,000	\$ 30,761
City Administration Fee	\$ 23,429	\$ 44,000	\$ 20,571
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 1,691,583</b>	<b>\$ 2,983,672</b>	<b>\$ 1,292,090</b>

# **Proposed FY 2023/24 Operating Budget Presentation**

**Board of Directors Special Meeting  
April 6, 2023**



# Setting the Stage



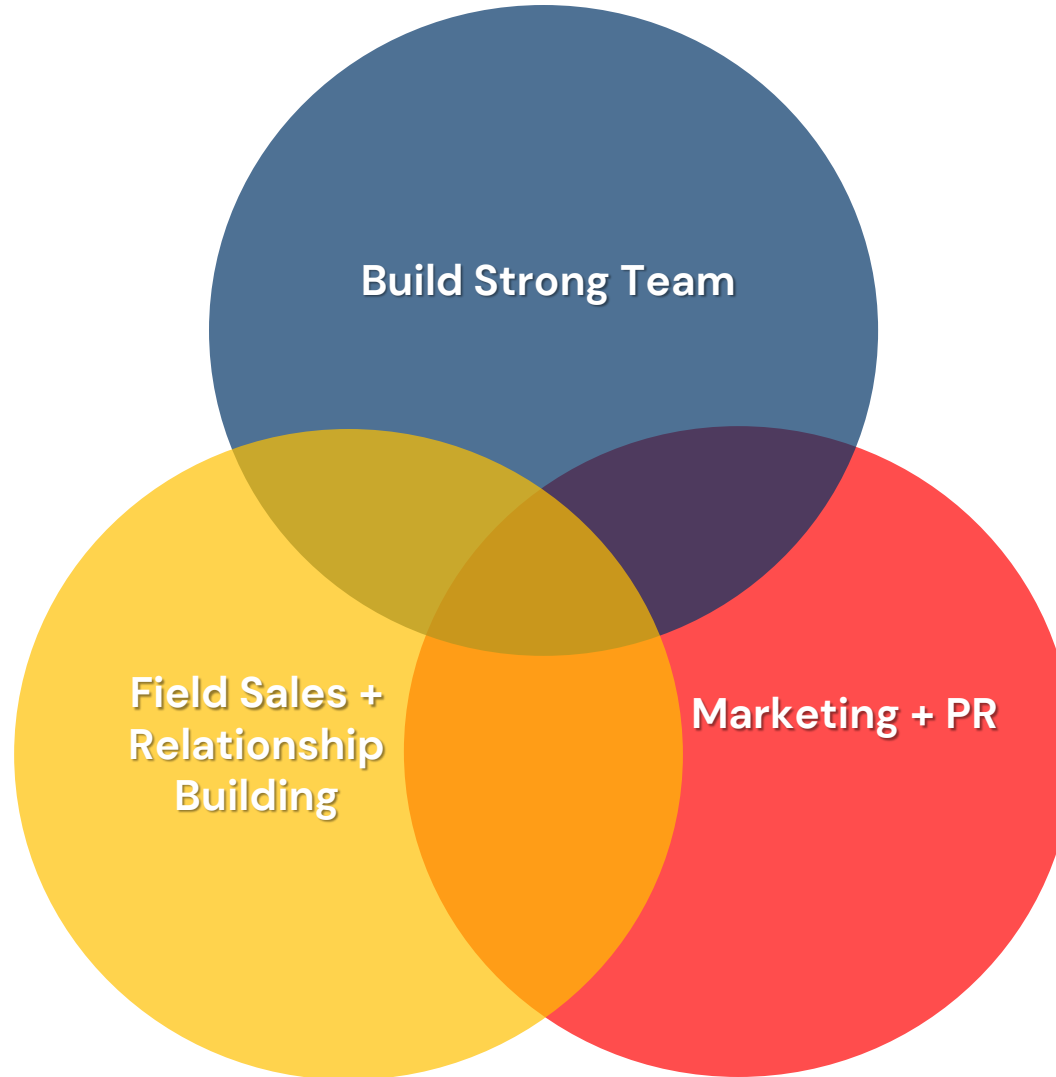
## Current State

- Newly formed DMO has been impacted by COVID-19, with limited significant activity.
- No outbound travel to network and build relationships with meeting planners.
- Santa Clara has fallen off the radar for our customer base.
- Lack of marketing efforts has contributed to lower visibility and awareness.
- Inconsistent staffing and turnover have impacted team stability and productivity.
- Lack of strategic execution has limited progress and growth opportunities.

## Future Focus:

- Building a strong and diverse team to drive success and growth.
- Foster a strong and dynamic sales culture.
- Ensuring a strong foundation of strategy, process, and tools for long-term success.
- Initiated social and Google Ad campaigns to boost visibility and awareness, with further enhancements planned under new Director of Marketing.
- FY 2023/24 marks the DMO's Debut year during which the organization will focus on increasing its' profile and attracting new customers.

# FY 2023/24 Key Focus Areas





# Fund Summary

# Fund Summary

<b>FY 2022/23 Fund Balance</b>	<b>FY 2023/24 Projected Revenue</b>	<b>FY 2023/24 Reserves</b>	<b>FY 2023/24 Available Funds</b>
\$3,005,635	\$2,266,000	\$1,193,469	\$4,078,166

A	B	C	D	E		As of	Transfer of
		YTD			DMO FUNDS	07/01/2022	Funds
	FY 2022/23	07/01/22-	FY 2022/23	FY 2023/24	City - TID Account	1,999,756	1,672,356
	Adopted	02/28/23	Forecast	Proposed	Wells Fargo Account	182,727	510,127
					Total Beginning Fund Balance	<b>2,182,482</b>	<b>2,182,482</b>
<b>Beginning Fund Balance</b>							
DMO Funds	1,504,481	1,504,481	1,504,481	1,812,166			
DMO Reserves	678,001	678,001	678,001	1,193,469			
<b>Total Beginning Fund Balance</b>	<b>2,182,482</b>	<b>2,182,482</b>	<b>2,182,482</b>	<b>3,005,635</b>			
<b>Total Revenue</b>							
TID Assessment	1,174,623	688,954	2,000,000	2,200,000			
Levy Marketing Investment	30,000	30,000	30,000	30,000			
OVG360 Marketing Investment	36,000	36,000	36,000	36,000			
Other Revenue	-	3,571	3,571	-			
<b>Total Revenue</b>	<b>1,240,623</b>	<b>758,525</b>	<b>2,069,571</b>	<b>2,266,000</b>			
<b>Total Source of Funds</b>	<b>3,423,105</b>	<b>2,941,007</b>	<b>4,252,053</b>	<b>5,271,635</b>			
<b>Expenditures</b>							
Personnel	934,044	242,438	636,271	1,623,229			
NonPersonnel	698,871	328,858	570,147	1,250,443			
Contingency	35,239	1,711	-	66,000			
City Administration Fee	23,429	31,402	40,000	44,000			
<b>Total Expenditures</b>	<b>1,691,583</b>	<b>604,409</b>	<b>1,246,418</b>	<b>2,983,672</b>			
<b>Ending Fund Balance</b>							
DMO Funds	1,053,521	1,658,597	2,327,634	1,094,494			
DMO Reserves	678,001	678,001	678,001	1,193,469			
<b>Total Ending Fund Balance</b>	<b>1,731,522</b>	<b>2,336,598</b>	<b>3,005,635</b>	<b>2,287,963</b>			
<b>Total Use of Funds</b>	<b>3,423,105</b>	<b>2,941,007</b>	<b>4,252,053</b>	<b>5,271,635</b>			

FY 2023/24 Reserves

FY 2023/24 projected revenue  
 • 2% SCTID assessment

FY 2022/23 fund balance

**FY 2023/24 Available Funds**  
 $\$3,005,635 + \$2,266,000 + (\$1,193,469) = \$4,078,166$

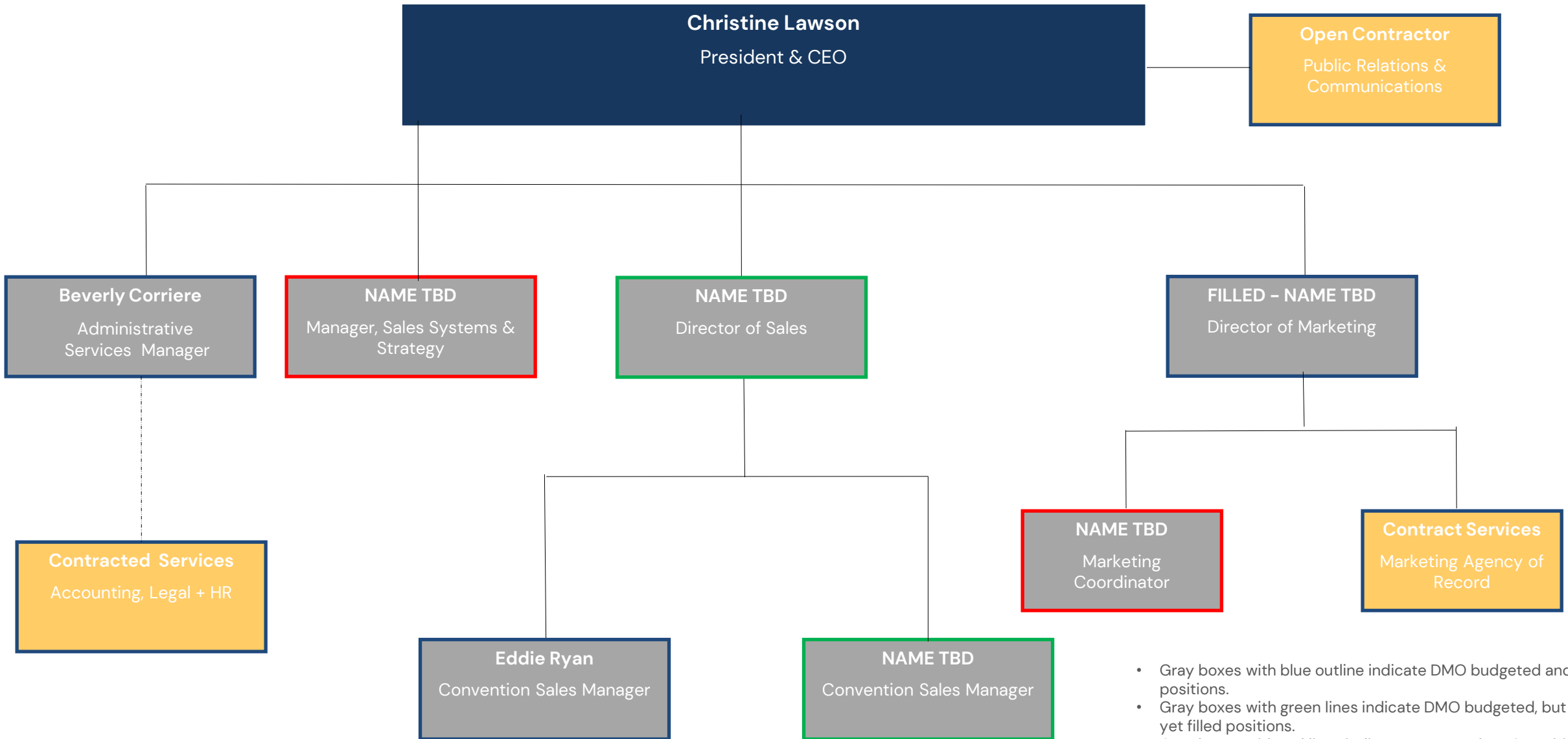
# FY 2023/24 Proposed Operating Budget

# Summary

Position	FY 2022/23 Adopted	FY 2022/23 Revised	FY 2023/24 Proposed	Change
Chief Executive Officer	1	1	1	0
Director of Sales	1	1	1	0
Sales Manager	2	2	2	0
Director of Marketing	0	1	1	0
Marketing Coordinator	0	0	1	1
Manager, Sales System & Strategy	0	0	1	1
Administrative Services Manager	1	1	1	0
<b>TOTAL FTE</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>2</b>

	FY 2022/23 Adopted	FY 2023/24 Proposed	Variance + / (-)	FY 2023/24 Change %
Personnel	\$934,044	\$1,623,230	\$689,186	73.79%
Non-Personnel	\$698,871	\$1,250,443	\$551,572	78.92%
Contingency	\$35,239	\$66,000	\$30,761	87.29%
City Administration Fee	\$23,429	\$44,000	\$20,571	87.80%
<b>Total Operating Budget</b>	<b>\$1,691,583</b>	<b>\$2,983,672</b>	<b>\$1,292,090</b>	<b>76.38%</b>

# FY 2023/24 PROPOSED BUDGETED ORGANIZATIONAL STRUCTURE



- Gray boxes with blue outline indicate DMO budgeted and filled positions.
- Gray boxes with green lines indicate DMO budgeted, but not yet filled positions.
- Gray boxes with red lines indicate requested DMO positions for FY 2023/24 budget.
- Gold boxes represent DSC's Agencies of Record and/or outside contractors.



- Promotion of 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.
- Supports sales activities designed to attract new meetings, conventions, athletic events and other events that have a substantial impact on the Center's financial performance and assessed guestroom demand in the SCTID.
- Includes client incentives/subsidies to attract new prominent events and conventions that have previously not booked an event at the Convention Center.

# Convention Sales, Incentives & Services

## Filling FY 2022/23 Adopted Positions

- The Board approved an increased salary range for the Director of Sales, which also includes the higher end of the proposed salary range for the Sales Manager position. This adjustment is aimed at attracting and retaining top talent for the Sales Manager role.
- Impacts the increase in incentives budgeted at the full amount of 25% for qualified team members.

## New FTE for Manager, Sales Systems & Strategy

- Addition of dedicated CRM and strategy oversight to improve processes, efficiency, increased sales and overall performance.

## Benefits + Payroll Taxes

- Anticipating a full team in FY 2023/24 means an increase in health and dental benefits.
- The DMO will be implementing a 401K Plan.
- Payroll taxes increasing with full team.

## Travel & Entertainment

- Increase in tradeshow attendance (15 shows) and sales trips (11) to build client relationships and drive leads/sales.
- Includes \$24,000 for client entertainment both locally and when on the road for business to build relationships and increase sales revenue.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>CONVENTION SALES, INCENTIVES &amp; SERVICES</b>			
<b>Positions</b>			
FTE Director of Sales	1	1	1
FTE Sales Manager	1	0	0
FTE Sales Manager	1	1	1
FTE Manager, Sales Systems & Strategy	-	1	1
<b>Personnel</b>	<b>\$457,669</b>	<b>\$735,056</b>	<b>\$277,387</b>
Salary	\$300,000	\$480,500	\$180,500
Incentives	\$75,000	\$101,375	\$26,375
Benefits	\$33,934	\$68,540	\$34,606
Payroll Taxes	\$44,415	\$79,721	\$35,306
Other-Cell Phone Stipend	\$1,320	\$1,920	\$600
Other-Relocation	\$3,000	\$3,000	\$ -
<b>Convention Sales, Incentives &amp; Services Expenses</b>	<b>\$149,605</b>	<b>\$453,275</b>	<b>\$303,670</b>
Business Development	\$50,000	\$150,000	\$100,000
Conferences and Tradeshows	\$20,700	\$47,700	\$27,000
Memberships	\$3,015	\$12,508	\$9,493
Subscription Services	\$32,390	\$33,684	\$1,294
Support Services	\$36,000	\$120,300	\$84,300
Travel & Entertainment (includes Mileage)	\$7,500	\$89,083	\$81, 583
<b>TOTAL CONVENTION SALES, INCENTIVES &amp; SERVICES</b>	<b>\$607,274</b>	<b>\$1,188,331</b>	<b>\$581,057</b>

- Promotion of Santa Clara, the Convention Center and the assessed hotel partners as a convention, meeting, and event destination.
- Emphasis on promoting the destination's desirability for overnight meeting and convention attendees.
- Goal of increasing exposure for Santa Clara, overnight visits, Convention Center revenue, and assessed room demand in the SCTID.

### Addition of a Director of Marketing (DOM)

- While not in the FY 2022/23 adopted budget, the Board approved the position in February. Role hired and will start on May 1, 2023.
- Will provide leadership and strategic vision.
- Budgeted for up to 5% merit increase in salary at the one-year anniversary, based on merit and review process.

### Proposed addition of Marketing Coordinator

- Role will support the DOM in marketing campaigns, gathering of data, and support the sales team in the organization and execution of tradeshow/client events.

### Significant increase in Marketing Efforts

- Digital Marketing investment of \$110,000 to reach a wider audience, increase cadence, and generate leads.
- Earmarked funds for videography, photography and influencer marketing for better exposure, engagement and revenue generation.

### Website Development & Evolution

- Need to create richer and more diverse content for a better user experience and increased engagement.
- Invest in Santa Clara as a destination in addition to groups and meetings.
- Investment will help to generate leads, improve conversion rates, and ultimately revenue.
- Will support sales & marketing efforts, making it a sound investment for the DMO.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>MARKETING &amp; COMMUNICATIONS</b>			
<b>Positions</b>			
Director of Marketing	1	0	0
Marketing Coordinator	0	1	1
<b>Personnel</b>	<b>\$-</b>	<b>\$339,837</b>	<b>\$338,837</b>
Salary	\$-	\$218,794	\$218,784
As Needed/Hourly	\$-	\$13,500	\$13,500
Incentives	\$-	\$39,074	\$39,074
<b>Benefits</b>	<b>\$-</b>	<b>\$31,209</b>	<b>\$31,209</b>
Payroll Taxes	\$-	\$36,301	\$36,301
Other – Cell Phone Stipend	\$-	\$960	\$960
<b>Marketing Expenses</b>	<b>\$203,048</b>	<b>\$409,683</b>	<b>\$206,635</b>
<b>Advertising &amp; Promotions</b>	<b>\$75,000</b>	<b>\$70,000</b>	<b>(\$5,000)</b>
<b>Contract Services</b>	<b>\$124,460</b>	<b>\$339,683</b>	<b>\$215,223</b>
Software Licenses	\$3,588	\$-	(\$3,588)
<b>TOTAL MARKETING &amp; COMMUNICATIONS</b>	<b>\$203,048</b>	<b>\$749,520</b>	<b>\$546,472</b>

- Management, coordination and support for all services and functions of the organization.
- Budget will be used to support CEO and administrative staffing costs, office expenses, policy formation, and other general administrative expenses like insurance, legal, accounting and IT.
- Responsible for the organizations overall financial monitoring and health.

# Administration

### No Personnel Changes

- Salary increases due to positions in place for FY 2023/24.
- Budgeted for up to 5% merit increase in salary at the one-year anniversary, based on merit and review process.
- Increase in health, dental and payroll taxes with roles in place for FY2023/23.

### Accounting

- Increase cost from current budget of \$31,060 for proper financial operations and continued SOP evolution.

### Legal Services

- \$11,000 increase from current budget based upon additional team members and contracts.

### Rent

- New line item. \$8,100 covers office rent for DMO space for FY 2023/24.

### Subscription Services

- Increase in number of Simpleview licenses needed for new team members.
- ACT-ON Email Platform annual fee.
- Simpleview contract for extra support and training hours.

### The CoStar Group

- Budget for an enhanced STR Report.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>ADMINISTRATION</b>			
<b>Positions</b>			
Chief Executive Officer	1	0	0
Administrative Services Manager	1	0	0
<b>Personnel</b>	<b>\$476,375</b>	<b>\$548,336</b>	<b>\$71,961</b>
Salary	\$335,000	\$367,328	\$32,328
Incentives	\$52,500	\$60,707	\$8,207
Benefits	\$36,796	\$52,397	\$15,601
Payroll Taxes	\$46,119	\$60,944	\$14,825
Other-Cell Phone Stipend	\$960	\$960	\$-
Other – Car Allowance	\$-	\$6,000	(\$6,000)
Other-Relocation	\$5,000	\$-	(\$5,000)
<b>Administrative Expenses</b>	<b>\$346,218</b>	<b>\$387,485</b>	<b>\$41,267</b>
Contract Services	\$299,964	\$289,776	(\$10,188)
Insurance	\$11,737	\$12,978	\$1,241
Memberships	\$1,600	\$3,350	\$1,750
Mileage Reimbursement	\$500	\$-	(\$500)
Operating Supplies	\$10,900	\$10,850	(\$50)
Software Licenses	\$3,877	\$8,124	\$4,247
Office Rent	\$-	\$8,100	\$8,100
Recruitment	\$500	\$500	\$-
Subscription Services	\$17,140	\$53,807	\$36,667
<b>TOTAL ADMINISTRATION</b>	<b>\$822,593</b>	<b>\$935,821</b>	<b>\$113,228</b>

# Contingency

- Equals 3% of gross assessments (\$2,200,000).
- Accounts for uncollected assessments, if any.
- Contingency funds collected may be held in a reserve fund or utilized for other program, and/or unanticipated short-term program, or administrative or renewal costs.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
<b>CONTINGENCY</b>	<b>\$35,239</b>	<b>\$66,000</b>	<b>\$30,761</b>

# City Administration Fee

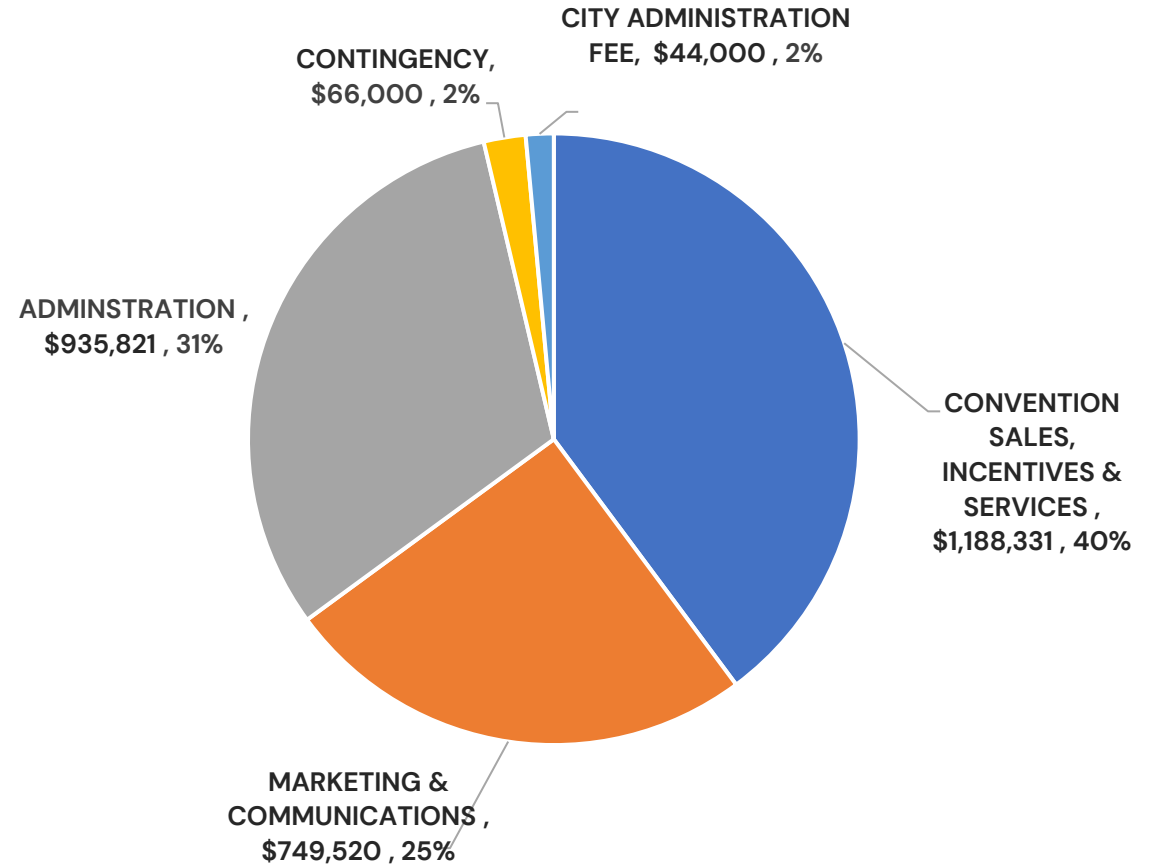
- Equals 2% of gross assessments (\$2,200,000).
- Covers costs of collection and administration which may include but are not limited to staffing costs, legal services, and operational costs for rent, telephone, supplies, postage, and other general office expenses.

Budget Item	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2023/24 Variance
CITY ADMINISTRATION FEE	\$23,429	\$44,000	\$20,571



# Budget Summary by Program

PROPOSED COST BY PROGRAM	FY 2023/24 Proposed	% of Budget
CONVENTION SALES, INCENTIVES & SERVICES	\$ 1,188,331	39.8%
MARKETING & COMMUNICATIONS	\$ 749,520	25.1%
ADMINSTRATION	\$ 935,821	31.4%
CONTINGENCY	\$ 66,000	2.2%
CITY ADMINISTRATION FEE	\$ 44,000	1.5%
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 2,983,672</b>	<b>100%</b>



# Q+A

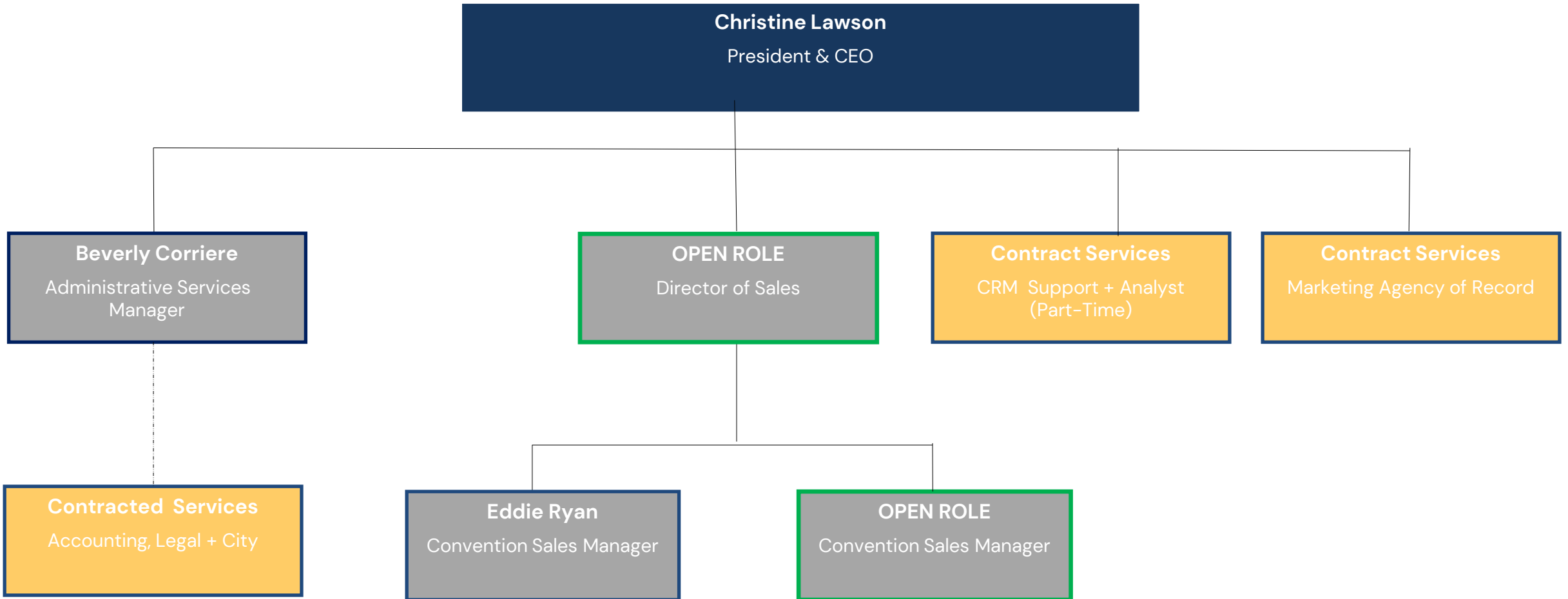
# Appendix

# Discover Santa Clara® Organizational Structure Evolution

Christine Lawson  
April 2023

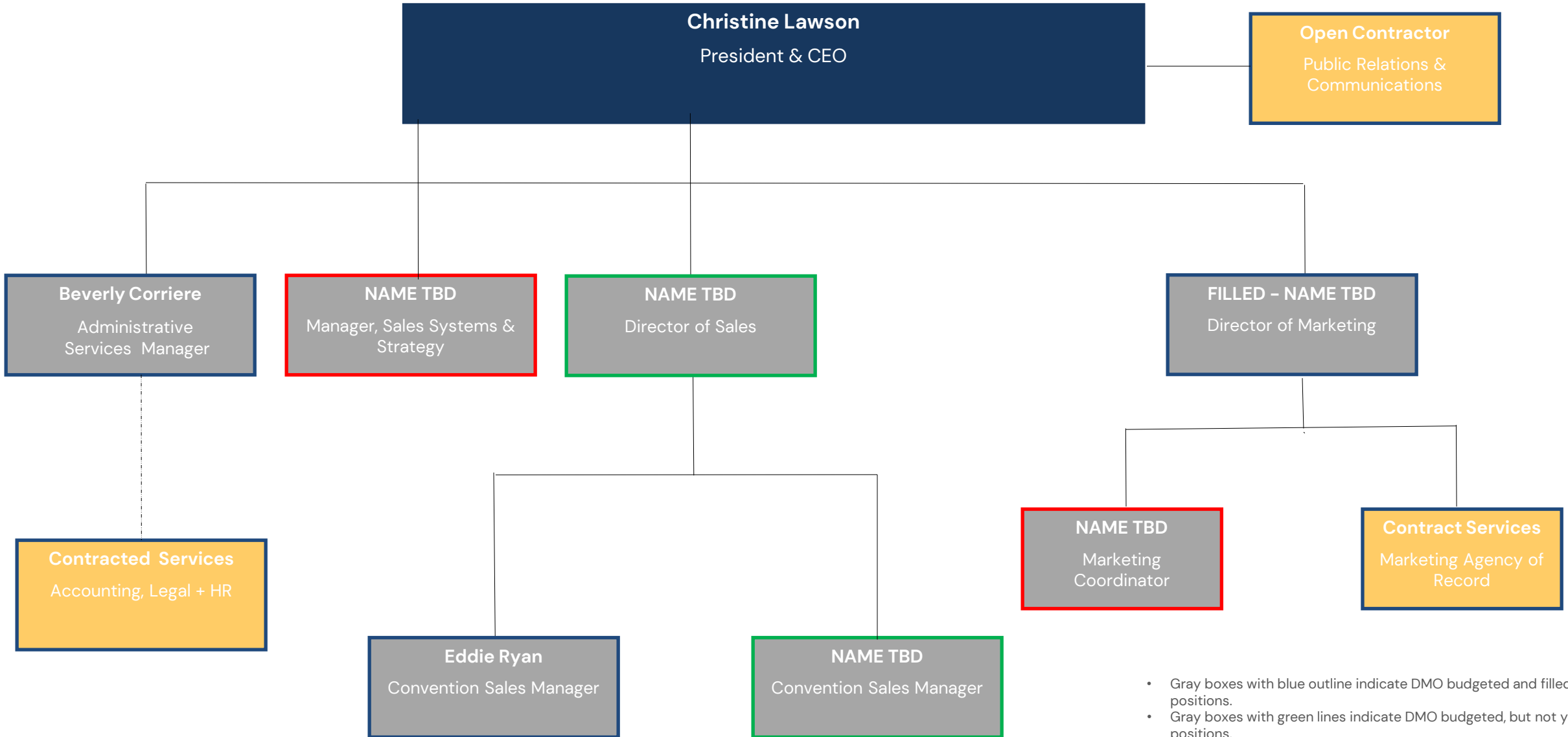


# FY 2022/23 ADOPTED BUDGETED ORGANIZATIONAL STRUCTURE



- Gray boxes indicate DMO adopted budgeted positions.
- Green lines indicate adopted budgeted positions unfilled as of 3/31/2023
- Gold boxes represent DMO's Agencies of Record and/or outside contractors

# FY 2023/24 PROPOSED BUDGETED ORGANIZATIONAL STRUCTURE



- Gray boxes with blue outline indicate DMO budgeted and filled positions.
- Gray boxes with green lines indicate DMO budgeted, but not yet filled positions.
- Gray boxes with red lines indicate requested DMO positions for FY 2023/24 budget.
- Gold boxes represent DSC's Agencies of Record and/or outside contractors.

# ROLE OVERVIEW + DELIVERABLES

## Manager, Sales Systems + Strategy

- Responsible for ensuring that all sales system tools utilized by the team are performing at optimal levels daily to effectively collect customer data.
- Develop, and implement integrated processes and procedures within the department and across the DMO that support sales and marketing efforts and strong customer relationships.
- Supports the DMO sales team and partners in maintaining and developing our Simpleview CRM to ensure accuracy of data. Serves as a liaison between the DMO, Center and Hotel partners regarding sales system needs and issues.
- Creates, conducts, and executes regular training of the DMO CRM (Simpleview), Knowland and Cvent for accuracy and consistency purposes.
- Responsible for pulling data to create monthly, quarterly, and annual DMO reports for the Board and key partners, included but not limited to the monthly activity report, quarterly report, annual report, and fiscal year budget.
- Develops and runs system reports conducts analysis and utilizes data to suggest direct sales, marketing, and additional strategies to drive greater awareness and business to the City.
- Ensures that all sales reports are submitted in a timely manner.
- Creates implements and monitors systems and practices for all DMO sales systems and tools.
- Manages and collaborates with system technology vendors to keep abreast of enhancements, ensuring that we are maximizing resources.

# ROLE OVERVIEW + DELIVERABLES

## Director of Marketing

- Development of annual marketing plan, KPI's and strategy.
- Leading and overseeing the day-to-day marketing needs for the DMO.
- Oversight of the Marketing Agency of Record.
- Management of social media strategy and content.
- Performing market research to identify trends.
- Gaining knowledge of competitors' marketing initiatives.
- Creating and executing overall marketing strategies to create awareness for the city of Santa Clara, and our partners.
- Creating and overseeing the annual marketing plan.
- Creating and overseeing annual marketing budget and allocating resources.
- Organizing promotional events.
- Executing the launch of new events + initiatives.
- Representing the DMO and forming strategic partnerships with media, and supporting public relations
- Producing quality online content and managing the company's publications.



# ROLE OVERVIEW + DELIVERABLES

## Marketing Coordinator

- Conducting research to analyze competitive landscape, market trends and customer behavior and preparing reports by collecting, summarizing and analyzing data.
- Supporting the Marketing Director in establishing and evaluating a marketing strategy and plan by analyzing and assembling sales forecasts, updating calendars and organizing and planning promotional presentations.
- Supporting the Marketing Director in creation of needed marketing content.
- Communicating campaign deliverables, objectives and timelines to their team while providing instructions for promotion or use.
- Planning and managing trade shows, conferences, events and meetings by identifying, coordinating and assembling requirements, developing assignments and schedules, coordinating mailing lists and establishing contacts.
- Maintaining an inventory and directory of sales support materials making sure all resources are accurate and current while coordinating new material creation as needed.
- Continually seeking and researching new sources of prospective customers while providing recommendations to marketing and sales leadership.