



## FY 21-22 Budget Recommendation

### Considerations

We anticipate beginning FY 21-22 with about \$140,000 reserve balance.

Income predictions are challenging because of the slow recovery of *business travel*, which made up most of the City's hotel market pre-pandemic. The City of Morgan Hill estimates FY 21-22 TOT to be 2/3 of pre-pandemic levels. In FY 19-20 (which was partially a pandemic year April – June) VMH's reported TBID income was \$316,760. FY 20-21 was approximately \$167,000. A conservative income projection for FY 21-22 is \$205,000. A conservative figure for budgeting helps prevent us from drastically depleting our reserve balance. It's possible we may collect more than \$205,000, which is dependent on hotel market recovery.

Our FY 21-22 estimated expenses are at \$235,000. With the \$205,000 income estimate, this includes access to up to \$30,000 from our reserve. If these figures play out, we would have about \$110,000 reserve balance at the end of FY 21-22. The more TBID we receive, the less coming out of reserve. If we pace significantly over our TBID estimate, I recommend pre-authorizing a greater expense budget at mid-year (January).

### Recommendation to VMH Board

- Adopt the following FY 21-22 Expense Budget of \$235,000
- Authorize a mid-year adjustment of up to \$265,000 if TBID income is pacing higher than projections

<b>VMH BUDGET FY 21-22</b>		
<b>Beginning Balance</b>		<b>\$140,000</b>
<b>Projected TBID Income</b>		<b>\$205,000</b>
<b>Operations &amp; Administrative</b>	<b>\$135,000</b>	
<b>Marketing Communications</b>	<b>\$80,000</b>	
<b>Business Development &amp; Industry</b>	<b>\$15,000</b>	
<b>Industry &amp; Community Relations</b>	<b>\$5,000</b>	
<b>TOTAL</b>	<b>\$235,000</b>	
<b>Ending Balance</b>		<b>\$110,000</b>

See next page for Expense Line-Item Descriptions

**Operations & Administrative**

Payroll and Payroll Fees  
Software & Systems  
Insurance, Accounting/Tax  
Office Supplies/Misc

**Marketing Communications**

Marketing/Public Relations Services  
Paid Media/Digital Advertising

**Business Development & Industry**

Subscriptions & Bus Dev Memberships  
Sports & Event Dev/Sponsorship/Bids  
Client Hosting & Familiarization Expenses

**Industry & Community Relations**

Local Sponsorships/Partnerships  
Industry Conferences & Dev Meetings

*Specifics to be included in the Annual Workplan*