



AGENDA REPORT

Meeting Date: August 4, 2015
Item Number: D-10
To: Honorable Mayor & City Council
From: Megan Roach, Marketing & Economic Sustainability Manager 
Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2015-2016; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$2,825,666 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES

Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council approve an agreement between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2015-2016 and approve a purchase order in a not-to-exceed amount of \$2,825,666 for these services.

INTRODUCTION

On June 30, 2015 the City Council approved interim funding for the Beverly Hills Conference and Visitors Bureau ("CVB") in the amount of \$1,003,536 to meet ongoing expenses for July through September while Council reviewed additional information on the CVB's proposed work program and funding request for the fiscal year.

At the July 21 study session meeting, the CVB presented additional information and the City Council directed moving forward with an agreement subject to the CVB providing program metrics and return on investment information at the mid-year budget review.

This agreement provides funding for the CVB's operational expenses and visitor marketing services for the remaining nine months in the amount of \$2,825,666 for a total funding amount of \$3,829,202 for the fiscal year. In addition, the City Council approved the CVB's request to carryover \$235,000 from the prior year for programs that were not completed due to staffing vacancies and/or reprioritization of programs by the Board.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. Its mission is to promote Beverly Hills worldwide as a stay/shop/dine destination through marketing programs that build awareness and drive consumer traffic and revenue to the city. Each year the City provides funding to the CVB through Transient Occupancy Tax (TOT) and the Tourism and Marketing budget.

The CVB has identified four primary areas of focus for next fiscal year and they include: (1) grow demand for the destination; (2) leverage strategic partnerships; (3) enhance the Beverly Hills brand; (4) and ensure a vital CVB. The CVB's work plan is included in the funding agreement and includes the following portfolio of services:

- 1) **Local** – Stay, Shop, Dine advertising campaign and holiday activities.
- 2) **Events** – Chinese New Year Celebration and support of partner and City events including the Rodeo Drive Concours d'Elegance, Greystone Concours d'Elegance, and Concerts on Canon.
- 3) **Domestic** – branding initiative, domestic advertising, meetings and incentive planners marketing, New York Sales Mission, and domestic public relations activities.
- 4) **International and Trade** – international trade sales missions, trade shows, incentive programs, and global summit.
- 5) **Interactive** – domestic and international websites and content, social media, pay per click and website search engine optimization, and eNews distribution.
- 6) **Collateral** – marketing tool kit and revamped visitor guide.
- 7) **Metrics/Research** – subscriptions to American Express, Smith Travel Research, and Cision for visitor metrics and spend data.
- 8) **Contingency Programs** – special programs requested by City and BHCVB Board.

FISCAL IMPACT

The City's Finance Department projects \$39,140,000 in TOT revenue for the 2015-2016 Fiscal Year, which results in a Tourism and Marketing budget of \$6,282,737 and is budgeted in program account 0101311.

On June 30, 2015 the CVB received \$1,003,536 in interim funding for operational and visitor marketing expenses for July through September 2015. This agreement provides funding for the remaining nine months of the fiscal year in the amount of \$2,825,666 for a total funding amount of \$3,829,202.

Don Rhoads 
Finance Approval

Cheryl Friedling 
Approved By

Attachment 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND THE BEVERLY HILLS CONFERENCE AND VISITORS
BUREAU FOR PROMOTION OF THE CITY FOR FISCAL
YEAR 2015-2016

THIS AGREEMENT is made and entered into in the City of Beverly Hills by and between the City of Beverly Hills, a municipal corporation ("City") and the Beverly Hills Conference and Visitors Bureau ("CVB"), a non-profit corporation.

RECITALS

A. CVB is located in the City of Beverly Hills and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of City.

B. The interim funding agreement between the City and CVB is set to terminate on September 30, 2015.

C. City desires to continue to engage the services of the CVB for promotional activities for fiscal year 2015-2016.

D. Section 37110 of the State Government Code authorizes the expenditure of monies for promotion.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Scope of Service and Fund Authorization/Use of Funds.

a. For the period of October 1, 2015 through June 30, 2016 ("Funding Period"), City shall provide the CVB with funding in an amount not to exceed \$2,825,666 for expenditures in support of the City and CVB's visitor and marketing programs as detailed in Exhibit A, attached hereto and incorporated herein. Any monies not expended in the Funding Period that are earmarked for specific projects taking place within 60 days of the termination date of this Agreement, shall be carried over to the CVB fiscal year 2016-2017 budget for those specific projects.

b. CVB shall provide the services (both personnel and deliverables) necessary to implement the marketing strategies and programs for the promotion of the City as set forth in Exhibit A ("Scope of Service"). The funds shall be utilized and serve as compensation (including but not limited to overhead, third party costs, etc.) for the CVB's implementation of the Scope of Services.

c. In connection with CVB's marketing and promotional programs, CVB may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

Section 2. Payments. CVB shall submit written requests for advanced payments for expenditures based on the CVB's adopted budgets for the various projects as set forth in Exhibit A. City shall provide payment to the CVB upon approval of the request by the City's Chief Financial Officer. City shall use its best efforts to make payment to CVB within 15-days of receipt of request.

Section 3. Reports.

a. The CVB shall submit a quarterly report to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of action items in relation to the Scope of Service as set forth in Exhibit A, including the percentage of services and/or action items completed and defined measurements of goal achievement for the Funding Period.

b. CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Funding Period. Such report shall provide consolidated financial reporting for CVB as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of CVB's 2015-2016 fiscal year. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts.

c. With reasonable notice from City, CVB shall provide to City copies of any and all work product, documents reports, property and books produced by CVB in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records). CVB's obligation to maintain such Documents shall continue for three years after the termination of this Agreement.

d. CVB shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

e. CVB shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 4. Ownership of Work Product.

a. Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by CVB or any third party contracted by the CVB, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement (“Work Product”) shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be “works made for hire”, and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. CVB shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

b. CVB hereby irrevocably assigns exclusively to City, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. CVB shall take all acts requested by the City in order to enforce City’s rights under this Section.

c. CVB shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. The City and CVB agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to City for whatever use it desires, and that City does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The parties further agree that City will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to CVB and that CVB shall have no such rights.

d. From time to time the CVB will engage photographers to take photographs or will purchase images for use in CVB’s marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the CVB negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 4 will apply. As to those third party photographs or images whereby the CVB negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 4 will not apply.

e. This Section shall survive termination of this Agreement.

Section 5. Assignment. This Agreement shall not be assigned by CVB without the written consent of City.

Section 6. Independent Contractor. At all times during the term of this Agreement CVB shall be independent contractors and CVB, their officers, employees and agents shall not be employees of City.

Section 7. Term. This Agreement shall remain in full force and effect from October 1, 2015 until June 30, 2016 unless terminated earlier as provided in Section 8 of this Agreement.

Section 8. Termination of Agreement. Upon ninety (90) days written notice to CVB, this Agreement may be terminated by City, with or without cause, only by a majority vote of the City Council. In the event of such termination, City shall pay CVB for all costs and obligations reasonably incurred by CVB for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 9. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210; or to Beverly Hills Conference and Visitors Bureau, 9400 Santa Monica Blvd., Beverly Hills, California 90210, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 10. Indemnification and Insurance.

a. CVB agree to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of CVB or their officers, employees, agents or others employed by CVB in the conduct of the projects funded by this Agreement.

b. CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CVB.

c. CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of One Million Dollars

(\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the services required by this Agreement.

d. CVB agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

e. CVB shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.

f. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

g. If CVB fails to keep the aforesaid insurance in full force and effect, City shall notify CVB that it is in breach of the Agreement and CVB has three (3) days to cure such breach. If such breach is not cured by CVB as required in this paragraph, City may terminate the Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at CVB's expense, the premium thereon.

h. At all times during the term of this Agreement, CVB shall maintain on file with the City Clerk a certificate or certificates of insurance on the form required by the City, showing that the aforesaid policies are in effect in the required amounts. CVB shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

i. The insurance provided by CVB shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

j. Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 11. Extent of Agreement This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all parties to the Agreement.

Section 12. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than CVB.

Section 13. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

Section 14. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the
____ day of _____ 2015, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
A municipal corporation

JULIAN A. GOLD
Mayor of the City of Beverly Hills

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

[Signatures Continue]

BEVERLY HILLS CONFERENCE AND
VISITORS BUREAU



JULIE WAGNER
Chief Executive Officer



SAL ABAUNZA
Board Chair

[Signatures continue]

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
Interim City Manager



CHERYL FRIEDLING
Deputy City Manager for Public Affairs



KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF SERVICES

City shall provide funding in the amount of \$2,825,666.00 to support the activities and programs outlined in Attachment 1 to this exhibit, attached hereto and incorporated herein, during the period of October 1, 2015 through June 30, 2016. Funding shall cover operating and marketing expenses forecast for the nine month period and expenses including but not limited to salaries, taxes and benefits; rent and utilities; and marketing initiatives targeted to domestic and international consumers and trade. The CVB shall conduct the activities set forth in Attachment 1 to this Exhibit (which activities are part of the CVB's overall marketing plan) during the term of this Agreement. CVB may reallocate funding for initiatives within an individual category set forth in the 2015/2016 Budget Detail document in Attachment 1 to this exhibit: Local; Events; Domestic; International and Trade; Interactive; Collateral; Research and Metrics; and Contingency Programs, without City Council CVB/Marketing Committee approval. However, CVB may only reallocate up to \$25,000 from one category to another. Reallocations over \$25,000 require City Council CVB/Marketing Committee approval.

ATTACHMENT 1 TO EXHIBIT A

**Fiscal Year 2015/16
Scope of Work**

Fiscal Year 2015/16 Budget Presentation
July 21, 2015



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Discontinued Programs 2014/15

BHCVB discontinued the following programs for a reallocation of \$365,000:

- **Holiday market - \$165,000**
 - This program included a European Style market in Beverly Canon Gardens for the weekend of December 13-14, 2014. While the market was charming and well received, the cost and amount of resources required measured against return on investment led the Board of Directors to decide that it was not a priority for 2015/16.
- **Hotel Promotions for Fall and Spring - \$200,000**
 - At the recommendation of the Marketing Committee, comprised of all hotel General Managers on the Board, the organization opted not to do hotel specific promotions for spring and fall 15/16. It was felt that each individual hotel had their own promotions in place and that CVB funds would be better utilized for a Spring branding campaign in targeted feeder markets.



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New for Fiscal Year 2015/16

One of the CVB's most important core values is to keep a fresh perspective on all programming. This allows for new flourishes on existing programs as well as the execution of completely new ideas.

New Programs by category:

- **Domestic Marketing**
 - Branding initiative including development of graphics - *\$45,000*
 - Branded advertising campaign to be run spring 2016 - *\$390,000*
 - Domestic public relations/media influencer events including desk-side appointments in key markets and small interactive activities (dine-around, spa "crawl", etc.) that target social media influencers that have large following - *\$60,000*
 - Partnership marketing corporate co-operative programs which target companies that have large audiences that we can communicate with and/or who generate interest among press - *\$25,000*
 - Meeting Planner advertising to reach prospective travel buyers - *\$40,000*
 - Meeting Planner Advisory Board made up of industry experts who book a lot of meetings who can advise us the best way to sell the market to this audience - *\$20,000*



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New for Fiscal Year 2015/16 cont'd

- New Programs by category:
- International Marketing
 - New events and/or social media in established markets including UK, Australia and China - \$44,000
 - France and/or London sales event (similar to what we did in Chicago) – targeting travel buyers and meeting planners - \$10,000
 - India meeting planner mission with Brand USA which includes one on one appointments in Southern India. - \$17,750
 - India public relations and trade representation - \$25,000
 - Russia and/or Gulf initiatives which include a trade show component and press appointments to build awareness - \$21,000
 - Global summit with representatives from all international agencies to make sure that they are all strategically aligned - \$10,000
 - Tour bus support – promotion of new location once decided as well as assistance with staffing, maintenance, etc. with long term solution (*City Council has asked that this be held separately from BHCVB budget until a decision has been made on go-forward for Tour Buses*)



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New for Fiscal Year 2015/16 cont'd

New Programs by category:

- Interactive
 - Search Engine Optimization to attract new visitors to our site by targeting users who are searching for information on the web which can also be found on our site - *\$50,000*
- Collateral
 - Partner Marketing Tool Kit which will provide local businesses with information on how to utilize/maximize marketing opportunities available through the CVB - *\$7,500*
- Metrics
 - Smith Travel Research hotel data report which looks at the year forward for the destination - *\$2,800*
- Visitor Center
 - Visitor Center events to showcase partners who display merchandise or provide services for the event day and to showcase merchandise - *\$25,000*



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BHCVB Salary History

Fiscal year 13-14	Actual	Budget	
	% Change YOY	% Change YOY	Notes
Salaries	0.7%	-2.4%	When Accounting services outsourced
Payroll Taxes	11.2%	55.0%	New Coordinator added
Benefits	-15.9%	-39.7%	8 full-time 1 part-time employees
TOTAL:	-0.7%	-4.4%	Former Controller estimated budget

Fiscal year 14-15	Actual	Budget	
	% Change YOY	% Change YOY	Notes
Salaries	-0.6%	3.2% +	Three employees received job grade changes (promotions)
Payroll Taxes	-3.4%	2.9%	8 full-time 1 part-time employees
Benefits	5.6%	40.5% *	New outsourced Controller forecasted budget
TOTAL	-0.1%	6.9%	

*New controller (outsourced through the Chamber) recalculated benefit forecast based on industry best practice from 13/14 projection of 7% to 28% of salaries for 14/15.

+There were three promotions at the end of 13/14 - CEO, Sr. Director Business Programs and Director of Marketing

Fiscal Year 15-16	Actual	Budget	
	% Change YOY	% Change YOY	Notes
Salaries		4.1% +	8 full-time 1 part-time employees
Payroll Taxes		4.4%	
Benefits		6.6%	
TOTAL		4.4%	

+This proposes that one assistant manager position be reclassified to a manager.

BHCVB Travel Expenditure History

2013/14	Program	Total			Travel %
Activity	Budget	Travel			of Activity
Domestic Total	\$105,900	\$10,070	9.5%		9.5%
International Total	\$298,000	\$56,499	19.0%		19%
Total Cost of Activities	\$403,900	\$66,568			16%
2014/15	Program	Total			Travel %
Activity	Budget	Travel			of Activity
Domestic Total	\$369,000	\$12,714	3.4%		3%
International Total	\$485,100	\$92,940	19.2%		19%
Total Cost of Activities	\$854,100	\$105,654			12%
Percentages will be used to calculate budget for 2015/16					
2015/16	Program	Total			Travel %
Activity	Budget	Travel			of Activity
Domestic Total	\$398,400	\$13,546	3.4%		3%
International Total	\$440,181	\$84,515	19.2%		19%
Total Cost of Activities	\$838,581	\$98,060			12%

2015/16 Budget Proposal

Description	2014/15 Original Budget	Discontinued Programs	Cost of Discontinued Programs	New Programs	Cost of New Programs 2015/16	2015/16 Proposed Budget	Planned use of Carryover Funds
Local/Holidays	\$240,000	Holiday Market and Stay Shop Dine Advertising	\$165,000			\$75,000	
Events	\$135,000					\$140,400	\$135,000
Domestic Marketing							
New York	\$150,000					\$156,000	
Destination Marketing	\$200,000	Fall and Spring Hotel Offer Campaigns	\$200,000	Branding/communications initiative to reinforce appeal to younger market and build awareness	\$390,000	\$390,000	
Domestic PR	\$14,000			Media events in conjunction with sales missions and new product launches	\$60,000	\$75,560	
MICE Marketing	\$79,000	Group Sales Manager which was in this category 14/15 has been moved to separate line item.		Meeting Planner Advertising	\$40,000	\$50,360	
Partnership Marketing	\$25,000			Co-op dollars for initiatives with Fortune 500 Companies	\$25,000	\$51,000	
Branding Guidelines & Creative				Graphics and Identity Guidelines that can be used by all who market the city	\$45,000	\$45,000	
Secondary Market Sales Missions	\$190,000					\$197,600	
Advisory Board				Committee made up of well known meeting planners to get input on how to better market the city and close business.	\$20,000	\$20,000	
Group Sales	In MICE					\$81,120	
International Marketing							
Sales Missions	\$56,600			Sales event/party in France for Travel Trade	\$10,000	\$68,864	
Trade Shows	\$191,350					\$199,004	
PR	\$13,500					\$14,040	
Representation	\$100,000			Additional event and social media in UK and Australia	\$44,000	\$144,000	
Incentive Programs	\$39,000					\$40,000	

		China Sales Mission which was in this category 14/15 has been moved to separate line item		PR in India, Meeting Planner event in India, Trade and PR outreach in Arab Nations (GCC) and/or Russia			
Emerging Markets	\$171,250				\$63,750	\$127,450	\$40,000
China Sales Mission	Included in EM					\$114,400	
				Meeting of all int'l representation agencies contracted with BHCVB in Beverly Hills	\$10,000	\$10,000	
Global Summit							
Interactive							
Content	\$75,000						\$30,000
Database/eMail	\$34,200					\$5,200	
				Ongoing Search Engine Optimization efforts to drive traffic.	\$50,000	\$138,358	\$30,000
SEM/SEO	\$85,000						
International	\$77,400					\$80,496	
Acquisition	\$38,200					\$39,728	
Domestic Site	\$20,200					\$21,050	
Collateral							
Fulfillment	\$5,000					\$5,200	
Visitor Guide	\$20,000					\$50,800	
Premiums	\$20,000					\$20,800	
				Printed piece and usbs for all local businesses educating them on how to maximize opportunities with the CVB	\$7,500	\$7,500	
Marketing Tool Kit							
Special Programs	\$55,000					\$55,000	
Metrics/Research	\$36,000			Smith Travel Research Forecasting Report	\$2,800	\$40,440	
Operations including Salaries, Taxes & Benefits	\$1,079,300					\$1,183,832	
Visitor Center							
Staff	\$75,000					\$78,000	
Merchandise/Display	\$25,000					\$26,000	
Communications	\$25,000					\$26,000	
				Events to build awareness of the Visitor Center and drive traffic.	\$25,000	\$25,000	
Events	\$25,000					\$26,000	
Collateral							
TOTAL	\$3,300,000		\$365,000		\$793,050	\$3,829,202	\$235,000

+2015/16 budget represents a 4% cost of doing business increase for repeated programs and operations which equals approximately \$100,000.

** Carryover Events will be used for White Paper Media events in Cannes, New York, Chicago and SFO. Interactive will be used for SEO and website content. International will be used as contingency for activities targeting emerging markets.

2015/16 Budget Summary

Description	2014/15 Original Budget	2014/15 Revised Forecast*	Cost of Discontinued Programs	Cost of New Programs 2015/16	2015/16 Proposed Budget	Carryover Funds**
Marketing						
Local/Holidays	\$240,000	\$173,818			\$75,000	
Events	\$135,000	\$133,955			\$140,400	\$135,000
Domestic Marketing	\$658,000	\$674,506			\$1,066,640	
International Marketing	\$571,700	\$571,712			\$717,758	\$40,000
Interactive	\$330,000	\$311,649			\$284,832	\$60,000
Collateral	\$45,000	\$42,000			\$84,300	
Special Programs	\$55,000	\$55,000			\$55,000	
Metrics/Research	\$36,000	\$36,000			\$40,440	
Operations including Salaries, Taxes & Benefits	\$1,079,300	\$943,949			\$1,183,832	
Visitor Center	\$150,000	\$120,660			\$181,000	
TOTAL	\$3,300,000	\$3,063,249	\$365,000	\$893,050	\$3,829,202	\$235,000

*Revised forecast is as of April 2015.

** Carryover funds will be used for White Paper Media events in Cannes, New York, Chicago and SFO. Interactive will be used for SEO and website content. International will be used as contingency for activities targeting emerging markets.

+Figures represent a 4% or slightly higher than \$100,000 cost of doing business increase.

EXHIBIT B

PAYMENT SCHEDULE

Unless otherwise agreed to by the City's Deputy City Manager, invoices and payments shall be governed by the schedule below.

Funding Period (October 1, 2015 – June 30, 2016)			
CVB Remits Invoice to City	City Issues Payment to CVB	Period Covered	Payment Amount
September 14	September 28	October 1 – December 31	\$1,271,550
December 14	December 28	January 1 – March 31	\$777,058
March 7	March 21	April 1 – June 30	\$777,058
TOTAL			\$2,825,666