

Personal stories from our members.

Lodging Property that also hosts weddings:

I don't expect our story to be very unique. Like everyone, with murmurs of a pandemic on the horizon, our lodging bookings noticeably slowed starting just after Christmas 2019, and came to a screeching halt early March 2020 with the shutdown. We had no idea what the future held for us and our business.

We also do events seasonally, from June to October. Mostly weddings. Right away we reached out to all our 2020 couples and offered them 2021 dates and hoped they would not want to cancel. Most of them understood and postponed, sometimes twice. The site fees couples pay us are contracted non-refundable. We use that money as working capital and is not held in escrow. We were not in any position to refund their payments. That aside, we did meet the few cancelations half way by taking money out of our personal savings. We were threatened with lawsuits but navigated (the SS) and none of them went very far, thanks to some advice from our VAWP friends. It was a stressful and miserable experience on top of what was already a hard thing.

The "un-met need" grant money from the state saved us. It was still very hard to pay bills. We did some curbside baking for local folks and pandemic refugees. I was busy, but it was not very lucrative. Until we were able to apply for the grant we were expecting to close and would not be open now without it.

We opened for lodging Memorial Day weekend 2021. To keep ourselves, guests, and community safe and healthy, we got vaccinated, and opened with 50% occupancy, required vaccinations, and masking in our common spaces. We are still operating that way so people can distance themselves and feel relatively safe. I know it was a business decision to operate that way and is limiting, but for now it feels right and we look forward to the day those restrictions can be lifted and we can get back on track.

Side note: All our postponed weddings had at least a 95% vaccination rate (not the kids) and folks were fairly compliant with that. The couples were great.

I compared the income for the dates you asked for. It was scary! Not a fun exercise! About 86% loss for that window! 2019 was our best year ever (15 years) and 2020 was shaping up to be even better. Then.....2020, 2021 and so far 2022.

The grant money we received, and an SBA loan saved us. We are here, but on the edge, with no employees and I am baking again. If we were eligible for a grant for that period, our business would definitely be able to

get back on its feet. 😊

Small Inn that also hosts weddings:

-How much has your labor cost increased? **Our labor costs have increased by over 15%, we are having to overpay to hire staff to work here versus somewhere else.**

-Food cost increases? **We have seen an increase across the board by about 8%.**

-Other significant cost increases (fuel, hvac etc) **Propane (our source for heat, hot water and restaurant fuel is up 9.9% per gallon) We use over 10,000 gallons per year.**

-How have margins been affected? **We have not been able to raise prices high enough or fast enough to keep up with higher vendor costs, so our margins have eroded.**

-How did the previous grants impact you? **They helped us weather the storm, especially since we were closed for so long..What would have happened if you didn't have them? We did not have enough cash reserves or the ability to borrow more (and banks were very skittish in the early parts of the pandemic) so we would have most probably given the keys to the bank.**

Mid Size Lodging Property that also hosts weddings:

The question as to why a lodging property who suffered >50% revenue losses didn't suffer a 2020 tax loss comes down to three parts:

1) Doing Everything possible to cut costs to survive - As a business, we did everything possible to cut costs and keep our staff employed. We stopped paying ourselves as owners. We deferred many small maintenance items; for example we did not pump any of our 6 septic tanks or service our generator, furnace, etc. We deferred \$20,000 in mortgage payments. We generally reinvest ~15% of our annual revenue in bigger projects every year; critical for the upkeep of a 50+ year old Inn. In 2020, we should have replaced ~\$60,000 in deteriorating roof sections. We could not do any of these bigger projects.

2) Grants & PPP - We took advantage of every PPP and grant available to us. Being a 72 NAICS code, we received full revenue loss up through the end of September. While we did continue to suffer losses through the end of the year, our extreme cost cutting measures along with cash reserves & grants made our 2020 tax statement showed no loss.

3) Timing - This is the most critical part of the why. The JFC allocation of the grant wasn't determined until late November with our payment being made to us on December 22. We didn't have time to spend the money on deferred projects. We couldn't hire a contractor to come replace the roof sections in December. More importantly, we also couldn't afford the risk of making those back mortgage payments because we were not seeing any uptick in winter bookings. Our bookings for winter were more than 60% down compared to previous years. We were trying to "squirrel it away" as much as possible to get to the other side.

If we would have known the grant process was going to be based on taxes, we would have made deferred mortgage payments, pumped our septic, etc. The goal was to get to the other side, not focus on massaging our tax statement.

And those roof sections? I was only able to afford 1 of them this fall. The other will hopefully be done next year. They haven't gone away and the lack of cash flow is preventing us from getting caught up. The bigger

projects of this year are getting pushed back with a clear deterioration of our property in the process.

The state restrictions and pandemic impact for my business did not end on December 31, 2020. The impact continued throughout our winter season as we saw +60% loss in revenue for ski season. In addition, we still had multiple weddings cancel this past summer along with us modifying contracts to lower minimums to keep the events we had booked. The summer was strong, but it wasn't a recovery; it was still just treading water.

The 3rd round of grants need to look at the October 2020 through end of May 2021 timeframe to correlate to the Vermont reopening forward plan. My business relies on cash flow and a revenue replacement model will be the only solution for us to get caught up.

In support of our position:

Vermont Commissioner of Tourism and Marketing Heather Pelham told the newspaper. **"We do expect economic recovery will take several years. I don't think the economic impacts on our restaurants and innkeepers can be understated."**

[Bennington Banner Article](#)