

# CITY OF HIGH POINT

## AGENDA ITEM



<b>TITLE:</b> Approval of FY 2024-2025 High Point International Home Furnishings Market Authority Corporation Budget	
<b>FROM:</b> Stephen Hawryluk, Budget and Performance Director	<b>MEETING DATE:</b> June 3, 2024
<b>PUBLIC HEARING:</b> Yes	<b>ADVERTISED DATE/BY:</b> May 7, 2024/High Point Enterprise
<b>ATTACHMENTS:</b> High Point International Home Furnishings Market Authority Corporation Budget FY 2024-2025 Annual Budget Ordinance –High Point International Home Furnishings Market Authority Corporation	

**PURPOSE:** To approve the FY 2024-2025 High Point International Home Furnishings Market Authority Corporation (High Point Market Authority) budget and consideration of an ordinance to adopt the FY 2024-2025 annual budget ordinance for the High Point International Home Furnishings Market Authority Corporation (High Point Market Authority).

**BACKGROUND:** The High Point International Home Furnishings Market Authority Corporation (High Point Market Authority) requests that the City Council consider its draft budget. This draft budget was approved by the Market Authority Executive Committee on May 22, 2024, and plans are for the Market Authority Board to finalize the budget on June 12, 2024.

Staff from the High Point International Home Furnishings Market Authority Corporation (High Point Market Authority) presented information on their proposed budget at the May 22, 2024 Budget Work Session.

**BUDGET IMPACT:** N/A

**RECOMMENDATION/ACTION REQUESTED:** Staff recommends and asks the City Council to approve the FY 2024-2025 High Point International Home Furnishings Market Authority Corporation (High Point Market Authority) budget and adopt the FY 2024-2025 Annual Budget Ordinance for the High Point International Home Furnishings Market Authority Corporation (High Point Market Authority).



Revenue	Code	2023-24 Budget	2023-24 Forecast	2024-25 Budget
<b>High Point Area</b>				
Showroom License	4001	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00
Occupancy Tax (Guilford)	4002	\$ 550,000.00	\$ 540,000.00	\$ 550,000.00
Visit High Point (HPCVB)	4003	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
City of High Point	4004	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Guilford County	4005	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
Total		\$ 3,525,000.00	\$ 3,515,000.00	\$ 3,525,000.00
<b>State of North Carolina</b>				
NCDOT	4011	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00
NCDOC	4012	\$ 2,305,472.00	\$ 2,755,472.00	\$ 2,755,472.00
Total		\$ 4,005,472.00	\$ 4,455,472.00	\$ 4,455,472.00
<b>Other (Recurring)</b>				
On-Site Building Registration	4021	\$ 185,000.00	\$ 170,000.00	\$ 170,000.00
Interest	4022	\$ 25,000.00	\$ -	\$ -
Miscellaneous	4023	\$ 10,000.00	\$ 20,000.00	\$ 25,000.00
Sponsorships	4024	\$ 400,000.00	\$ 425,000.00	\$ 425,000.00
Sold Goods	4025	\$ -	\$ -	\$ 50,000.00
Registration	4027	\$ 400,000.00	\$ 410,000.00	\$ 400,000.00
Total		\$ 1,020,000.00	\$ 1,025,000.00	\$ 1,070,000.00
<b>Other (Non Recurring)</b>				
COVID-19/SFRF	4028	\$ 235,000.00	\$ 235,000.00	\$ -
Diversity, Equity, & Inclusion	4029		\$ 250,000.00	\$ -
Market District Infrastructure	4030		\$ 4,000,000.00	\$ 5,000,000.00
Total		\$ 235,000.00	\$ 4,485,000.00	\$ 5,000,000.00
<b>Total Revenue</b>				
		\$ 8,785,472.00	\$ 13,480,472.00	\$ 14,050,472.00

Expense	Code	2023-24 Budget	2023-24 Forecast	2024-25 Budget
<b>Executive Leadership &amp; Admin</b>				
Salaries/Benefits	5001	\$ 335,000.00	\$ 372,000.00	\$ 360,000.00
Board of Directors	5002	\$ 12,000.00	\$ 12,000.00	\$ 5,000.00
Audit	5003	\$ 22,000.00	\$ 22,145.00	\$ 23,000.00
Travel/Entertainment	5004	\$ 40,000.00	\$ 45,000.00	\$ 30,000.00
Telephone (Mobile/VoIP)	5005	\$ 25,000.00	\$ 18,000.00	\$ 25,000.00
Government Relations	5006	\$ 70,000.00	\$ 60,000.00	\$ 60,000.00
IT Services	5007	\$ 30,000.00	\$ 25,000.00	\$ 30,000.00
Equipment Purchase/Repair	5009	\$ 8,000.00	\$ 7,000.00	\$ 8,000.00
Business Insurance	5010	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Memberships/Subscriptions	5012	\$ 20,000.00	\$ 50,000.00	\$ 50,000.00
Office Supplies/Printing	5013	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Postage	5014	\$ 2,000.00	\$ 4,000.00	\$ 4,000.00
Rent	5016	\$ 16,800.00	\$ 16,800.00	\$ 16,800.00
City/County Taxes	5019	\$ 10,000.00	\$ 10,182.00	\$ 10,500.00
Misc Expenses	5020	\$ 50,000.00	\$ 25,000.00	\$ 10,000.00
Accounting/Payroll/Bank Fees	5023	\$ 95,000.00	\$ 90,000.00	\$ 90,000.00
Depreciation - Office/Admin	5025	\$ 42,000.00	\$ 44,000.00	\$ 43,500.00
Total		\$ 827,800.00	\$ 851,127.00	\$ 815,800.00
<b>Transportation</b>				
Contractor Management/Services	5104	\$ 110,000.00	\$ 113,000.00	\$ 110,000.00
Vehicle Operations	5105	\$ 1,185,000.00	\$ 1,250,000.00	\$ 1,225,000.00
Supplies	5106	\$ 20,000.00	\$ 30,000.00	\$ 20,000.00
Rent	5108	\$ 16,800.00	\$ 16,800.00	\$ 16,800.00
Salaries/Benefits	5109	\$ 280,000.00	\$ 280,000.00	\$ 316,500.00
Seasonal/Event Staff	5110	\$ 185,000.00	\$ 255,000.00	\$ 215,000.00
Signage/Street Improvements	5112	\$ 35,000.00	\$ 45,000.00	\$ 35,000.00
Trainings/Meetings	5113	\$ 15,000.00	\$ 17,000.00	\$ 15,000.00
Misc Expenses	5114	\$ 2,000.00	\$ 2,700.00	\$ 3,000.00
Transportation Command Center	5115	\$ 18,000.00	\$ 10,000.00	\$ 10,000.00
Travel/Entertainment	5116	\$ 10,000.00	\$ 9,000.00	\$ 8,000.00
Parking	5117	\$ 145,000.00	\$ 148,000.00	\$ 148,000.00
Maintenance/Security	5118	\$ 18,000.00	\$ 14,000.00	\$ 17,000.00
Depreciation - Transportation	5119	\$ 12,000.00	\$ 9,500.00	\$ 5,000.00
Total		\$ 2,051,800.00	\$ 2,200,000.00	\$ 2,144,300.00
<b>Registration</b>				
Contractor Fees/Services	5301	\$ 210,000.00	\$ 275,000.00	\$ 250,000.00
Salaries/Benefits	5302	\$ 415,000.00	\$ 427,000.00	\$ 369,000.00

Expense	Code	2023-24 Budget		2023-24 Forecast		2024-25 Budget
On-Site Building Registration	5303	\$	185,000.00	\$	145,000.00	\$ 125,000.00
Postage	5304	\$	25,000.00	\$	25,000.00	\$ 25,000.00
Seasonal/Event Staff	5305	\$	125,000.00	\$	175,000.00	\$ 150,000.00
Registration Network	5306	\$	10,000.00	\$	11,800.00	\$ 11,800.00
Supplies	5307	\$	20,000.00	\$	20,000.00	\$ 100,000.00
Training/Meetings	5308	\$	7,500.00	\$	12,000.00	\$ 10,000.00
Equipment/Shipping	5313	\$	20,000.00	\$	30,000.00	\$ 15,000.00
Support Services	5314	\$	30,000.00	\$	2,000.00	\$ 1,000.00
Rent	5316	\$	16,800.00	\$	16,800.00	\$ 16,800.00
Travel/Entertainment	5317	\$	10,000.00	\$	10,000.00	\$ 10,000.00
Depreciation - Registration	5318	\$	2,500.00	\$	1,200.00	\$ 3,500.00
Total		\$	1,076,800.00	\$	1,150,800.00	\$ 1,087,100.00
<b>Marketing</b>						
Printed Collateral/Signage	5401	\$	150,000.00	\$	145,000.00	\$ 130,000.00
Advertising - Print/Digital/Email	5403	\$	450,000.00	\$	530,000.00	\$ 450,000.00
Agency Fees/Creative	5405	\$	660,000.00	\$	660,000.00	\$ 665,000.00
Salaries/Benefits	5406	\$	375,000.00	\$	436,000.00	\$ 490,000.00
PR/ Freelance	5407	\$	170,000.00	\$	80,000.00	\$ 50,000.00
Postage	5408	\$	75,000.00	\$	63,000.00	\$ 70,000.00
Telemarketing	5409	\$	30,000.00	\$	25,000.00	\$ -
Media Center	5411	\$	90,000.00	\$	75,000.00	\$ 80,000.00
Travel/Entertainment	5413	\$	20,000.00	\$	13,000.00	\$ 11,000.00
Rent	5415	\$	16,800.00	\$	16,800.00	\$ 16,800.00
Photo/ Video	5417	\$	40,000.00	\$	27,000.00	\$ 28,000.00
Industry Education	5418	\$	45,000.00	\$	35,000.00	\$ 35,000.00
Promotional Goods	5420	\$	40,000.00	\$	72,465.00	\$ 40,000.00
Website/App/Data/Analytics	5421	\$	170,000.00	\$	360,000.00	\$ 300,000.00
Mail House Services	5422	\$	10,000.00	\$	10,000.00	\$ 10,000.00
Database Management	5424	\$	105,000.00	\$	122,000.00	\$ 120,000.00
Sponsored Marketing	5427	\$	235,000.00	\$	100,000.00	\$ 85,000.00
Misc Expenses	5428	\$	10,000.00	\$	5,000.00	\$ 5,000.00
Sponsorship Expenses	5429	\$	175,000.00	\$	160,000.00	\$ 160,000.00
Depreciation - Marketing	5430	\$	30,000.00	\$	65,000.00	\$ 68,000.00
Strategic Growth	5431	\$	250,000.00	\$	220,000.00	\$ 205,000.00
Social Media	5432	\$	20,000.00	\$	16,000.00	\$ 15,000.00
Seasonal/Event Staff	5434	\$	5,000.00	\$	7,000.00	\$ 7,000.00
Trainings & Meetings	5435	\$	-	\$	10,000.00	\$ 10,000.00
Sold Goods	5436	\$	-	\$	-	\$ 50,000.00
Total		\$	3,171,800.00	\$	3,253,265.00	\$ 3,100,800.00

Expense	Code	2023-24 Budget	2023-24 Forecast	2024-25 Budget
<b>Guest Services</b>				
Entertainment	5502	\$ 550,000.00	\$ 798,000.00	\$ 765,000.00
Salaries/Benefits	5503	\$ 180,000.00	\$ 174,000.00	\$ 212,500.00
Food/Beverage	5505	\$ 150,000.00	\$ 173,000.00	\$ 162,000.00
International Services	5507	\$ 37,000.00	\$ 37,000.00	\$ 37,000.00
On-site Buyer Services	5509	\$ 170,000.00	\$ 178,000.00	\$ 180,000.00
Logistics/Security	5512	\$ 180,000.00	\$ 221,000.00	\$ 220,000.00
Rent	5513	\$ 16,800.00	\$ 16,800.00	\$ 16,800.00
Depreciation - Guest Services	5514	\$ 135,000.00	\$ 140,000.00	\$ 125,000.00
Neighborhood Branding/Promotion	5515	\$ 150,000.00	\$ 83,500.00	\$ 100,000.00
Seasonal/Event Staff	5516	\$ 60,000.00	\$ 57,100.00	\$ 56,000.00
Trainings/Meetings	5517	\$ 10,000.00	\$ 12,200.00	\$ 10,000.00
Travel/Entertainment	5518	\$ 10,000.00	\$ 4,500.00	\$ 6,000.00
Misc Expenses	5519	\$ 5,000.00	\$ 4,700.00	\$ 5,000.00
Total		\$ 1,653,800.00	\$ 1,899,800.00	\$ 1,895,300.00
Total Expense		\$ 8,782,000.00	\$ 9,354,992.00	\$ 9,043,300.00
Total Revenue		\$ 8,785,472.00	\$ 13,480,472.00	\$ 14,050,472.00
Surplus/Deficit		\$ 3,472.00	\$ 4,125,480.00	\$ 5,007,172.00

**Other (Non Recurring)**

COVID-19/SFRF	5900	\$ -	\$ -	\$ -
Diversity Equity Inclusion	5901	\$ -	\$ 80,500.00	\$ -
Market District Infrastructure	5902	\$ -	\$ 2,000,000.00	\$ 5,000,000.00
Total		\$ -	\$ 2,080,500.00	\$ 5,000,000.00

Total Expense (Including Non Recurring)	\$ 8,782,000.00	\$ 11,435,492.00	\$ 14,043,300.00
Total Revenue	\$ 8,785,472.00	\$ 13,480,472.00	\$ 14,050,472.00
Surplus/Deficit	\$ 3,472.00	\$ 2,044,980.00	\$ 7,172.00

\*\*The budget periods for non-recurring revenue are different from the period of expenditures as outlined in the grant agreements. This will result in significant revenue in one fiscal year for HPMa, and significant expenses in a subsequent year for HPMa.

**CITY OF HIGH POINT, NORTH CAROLINA**  
**Fiscal Year 2024-2025 Budget Ordinance**

BE IT ORDAINED BY THE CITY OF HIGH POINT, NORTH CAROLINA:

Section 1. The following amounts are hereby appropriated for the High Point International Home Furnishings Market Authority Corporation for the Fiscal Year beginning July 1, 2024 and ending June 30, 2025:

(1) That for said fiscal year there is hereby appropriated out of the SHOWROOM AND OCCUPANCY TAX FUND for allocation to the High Point International Home Furnishings Market Authority Corporation, the sum of:  
\$ 3,225,000

Section 2. It is estimated that the following revenues will be available during fiscal year beginning July 1, 2024 and ending June 30, 2025:

Showroom and Occupancy Tax Fund	
Room Occupancy Tax	\$ 525,000
Licenses and Permits	1,700,000
Transfer from Water-Sewer Fund	50,000
Transfer from Electric Fund	950,000
Total Revenues and Other Financing Sources	\$ <u>3,225,000</u>

Section 3. Copies of this ordinance shall be furnished to the City Clerk and the Director of Financial Services to be kept on file by him for his direction in the collection and disbursement of City funds.

Section 4. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Adopted this 3rd day of June, 2024.

\_\_\_\_\_  
Attest: Sandra Keeney  
City Clerk