

# CITY OF HIGH POINT

## AGENDA ITEM



**Title:** Approval of FY 2019-2020 Convention and Visitors Bureau budget

**From:** Laura Mason Altizer,  
Budget & Performance Manager

**Meeting Date:** June 3, 2019

**Public Hearing:** N/A

**Advertising Date:** N/A

**Advertised By:** N/A

**Attachments:** Convention and Visitors Bureau budget and annual contract

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### **PURPOSE:**

To approve the FY 2019-2020 Convention and Visitors Bureau budget and annual contract.

### **BACKGROUND:**

The Convention and Visitors Bureau requests that the City Council approve its budget on an annual basis.

### **BUDGET IMPACT:**

N/A

### **RECOMMENDATION / ACTION REQUESTED:**

The Budget Department recommends the Council to consider the FY 2019-2020 Convention and Visitors Bureau budget and annual contract.

## HIGH POINT CONVENTION & VISITORS BUREAU

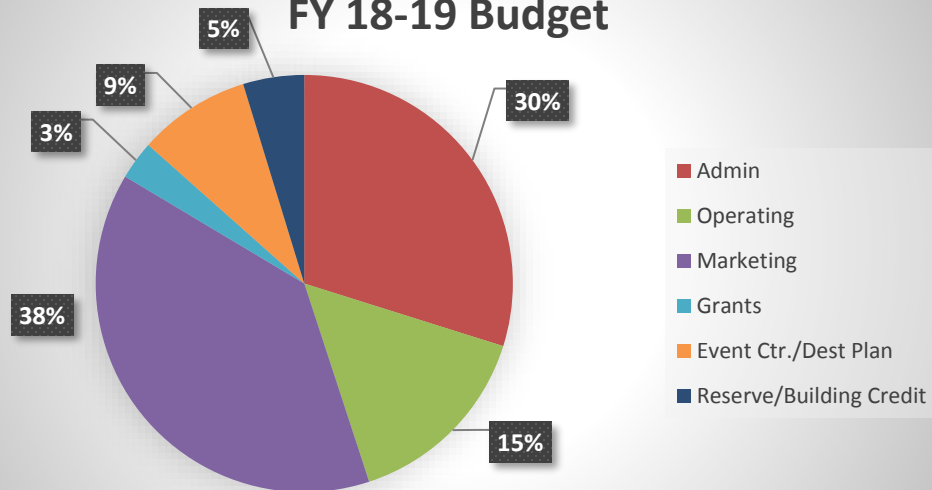
<u>No.</u>	<u>ITEM</u>	<u>A</u> <u>FY 18-19</u>  <u>Board</u> <u>Approved</u>	<u>B</u> <u>FY 18-19</u>  <u>Projections End</u> <u>of Year</u>	<u>C</u> <u>FY 19-20</u>  <u>Budget Proposed</u>	<u>D</u> <u>Percent</u> <u>Change</u> <u>Over</u> <u>Projections</u> <u>End of Year</u>	<u>E</u> <u>Percent</u> <u>Change</u> <u>Over</u> <u>Approved</u> <u>FY 18/19</u>
<u>INCOME</u>						
<u>OCCUPANCY TAX COLLECTION</u>						
4101.0	Transient Occupancy Tax <i>City of High Point's allocation earmarked for Stadium debt Year 1</i>	1,570,286	1,700,500	1,753,574	3	12
<u>OTHER INCOME</u>						
4102.0	Interest Income	1,020	1,000	1,000	0	-2
4105.0	Reserve EBI Carry Over	110,000	110,000	100,300	-9	-9
4106.1	Sponsorship Revenue Earmarked for 501 c 3 Foundation Tourism Development	100,000	40,000	50,000	25	-50
4106.2	Sponsorship Revenue Earmarked for 501 c 3 Foundation Tourism Development	100,000	40,000	50,000	25	-50
4107.0	Regional Preferred Member Revenue for Marketing	3,000	4,000	4,000	0	33
4108.0	Rollover from Administrative Expenses Earmarked for 501 C 3 Foundation Tourism Development	11,351	0	61,517	0	0
	Administrative Expenses Unused for FY 19-20 Earmarked for 501 C 3 Foundation Tourism Development	0	0	58,625	0	0
4109.0	Building Rental Credit Earmarked for Reserves	12,000	12,000	9,955	-17	-17
<b>TOTAL BUDGET</b>		<b>1,907,657</b>	<b>1,907,500</b>	<b>2,088,971</b>	<b>10</b>	<b>10</b>
<u>GRANT PROGRAM (15% of occupancy tax)</u>						
	remaining 15% occ tax Earmarked for 501 C 3 Foundation Tourism Development	23,043	37,293	51,658	39	124
	Restricted Income for 501 c 3 Tourism Development Grants		40,000	220,142	450	0
	Total Restricted Income for Tourism Development Grants		77,293	271,800	252	1
<b>INCOME (-1.26% grants)=Oper. Budget</b>		<b>1,884,614</b>	<b>1,870,207</b>	<b>1,817,171</b>	<b>-3</b>	<b>-4</b>
<u>EXPENSES</u>						
<u>ADMINISTRATIVE EXPENSES</u>						
5201.0	Salaries (6 full-time staff positions and if we hire sales manager)	428,625	367,108	369,000	1	-14
5202.0	Retirement	21,600	21,708	20,055	-8	-7
5203.0	Life/Hosp/Dent. Ins.	65,359	59,185	72,319	22	11
5204.0	Soc. Security	32,000	31,067	32,000	3	0

No.	ITEM	A	B	C	D	E
		FY 18-19	FY 18-19	FY 19-20	Percent Change Over Projections End of Year	Percent Change Over Approved FY 18/19
		Board Approved	Projections End of Year	Budget Proposed		
5205.0	Unemployment Ins.	1,000	576	800	39	-20
	ADMINISTRATIVE EXPENSES TOTAL	548,584	479,644	494,174	3	-10
	OPERATING EXPENSES					
5301.0	Memberships/Subscriptions	5,225	4,137	3,027	-27	-42
5302.0	Admin Travel/Meetings/Convention/PR	25,000	20,500	10,000	-51	-60
5303.0	General & Administrative Operations	107,930	106,677	120,549	13	12
5304.0	Postage/General	3,000	4,225	4,000	-5	33
5305.0	Business High Point Inc. & Vision Investor	20,000	20,000	20,000	0	0
5306.0	Telephone	11,000	10,915	11,000	1	0
5307.0	Rent/Utilities	80,795	80,795	83,219	3	3
5308.0	Comm/Board Expenses	11,400	7,868	9,400	19	-18
5309.0	Equipment	13,370	14,070	13,570	-4	1
	OPERATING EXPENSES TOTAL	277,720	269,187	274,765	2	-1
5401.0	Convention Advertising	10,450	12,078	8,535	(29)	(18)
5402.0	Convention Services	244,330	132,393	328,905	148	35
5402.1	Convention Services, Registrars, etc.	8,630	7,128	20,305	185	135
5402.5	Event Booking Incentives (includes \$100,300 roll over)	150,000	49,700	220,000	343	47
5402.7	HP Market Authority	75,000	75,000	75,000	0	0
5402.8	Partners of Excellence Program	700	45	3,600	7,900	414
5402.9	Special Services/Assessments	10,000	520	10,000	1,823	0
5403.0	Entertainment	1,000	800	1,000	25	0
5404.0	Literature/Printing	13,200	12,324	17,206	40	30
5405.0	Memberships - Convention	7,950	7,494	7,950	6	0
5406.0	Postage - Convention	300	157	200	27	(33)
5407.0	Conv. - Special Promotional Projects	81,000	63,236	126,116	99	56
5408.0	Subscription/Publications	250	150	250	67	0
5409.0	Travel - Convention	14,000	16,514	13,000	(21)	(7)
5410.0	Trade Shows - Convention	4,500	3,540	0	(100)	(100)

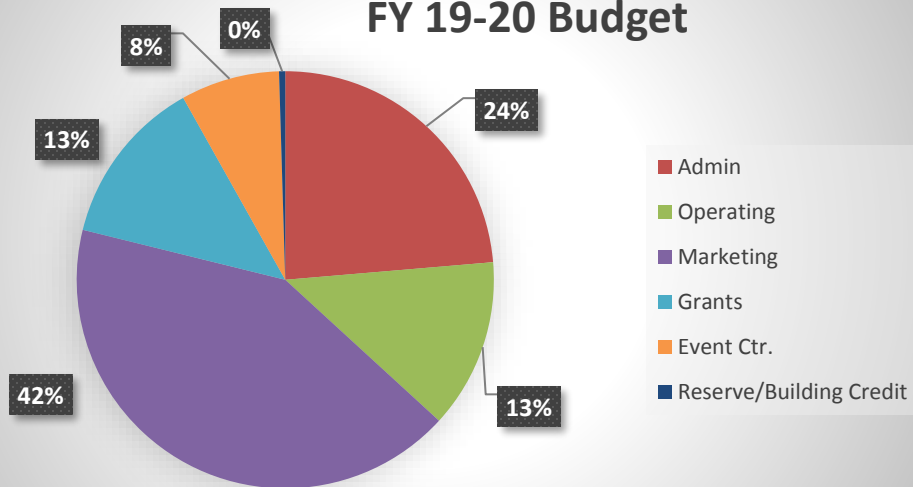
No.	ITEM	A	B	C	D	E
		FY 18-19	FY 18-19	FY 19-20	Percent Change	Percent Change
		Board Approved	Projections End of Year	Budget Proposed	Over Projections End of Year	Over Approved FY 18/19
5411.0	Sponsorship Program	35,000	27,195	15,000	(45)	(57)
5412.0	Audiovisuals	0	0	0	0	0
5413.0	Intern(s)	0	0	0	0	0
CONVENTION PROMOTIONS EXPENSES TOTAL		411,980	275,881	518,162	88	26
<u>TOURISM PROMOTION EXPENSES</u>						
5501.0	Advertising	64,000	61,587	82,100	33	28
5502.0	Audiovisuals	4,000	4,000	6,000	50	50
5503.0	Tourism - Literature/Printing	26,000	17,838	24,815	39	(5)
5504.0	Memberships/Subscriptions - Tourism	400	737	400	(46)	0
5505.0	Postage - Tourism	25,585	20,805	21,000	1	(18)
5506.0	Special Projects	31,000	24,504	34,500	41	11
5507.0	Travel/Entertainment	1,000	200	500	150	(50)
5508.0	Travel Shows	3,095	3,095	2,000	(35)	(35)
5509.0	Visitor Information Center	35,093	12,150	35,000	188	(0)
5510.0	NCTIA & Governor's Council	9,850	8,300	9,000	8	(9)
5512.0	Web	15,000	12,000	71,200	493	375
5513.0	Visitor Center Marketing	57,200	58,400	11,300	(81)	(80)
5514.0	Visitor Programming	25,150	8,327	22,300	168	(11)
5515.0	Tourism Research and Data	0	0	40,000	0	0
TOURISM PROMOTION EXPENSES TOTAL		297,373	231,943	360,115	55	21
<u>EVENT CENTER/DESTINATION PLAN</u>						
EVENT CENTER/DESTINATION PLAN EXPENSES TOTAL		160,000	152,000	160,000	5	0
TOTAL EXPENSES BEFORE GRANT EXPENSES		1,695,657	1,408,655	1,807,216	28	7
<u>GRANT EXPENSES</u>						
5800.1	1.25% Restricted Tourism Grants expended by HPCVB	23,043	37,293	51,658		
	Restricted Tourism Development Grants to go to 501 c 3 from Sponsorships	101,957	40,000	100,000		

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		<u>FY 18-19</u>	<u>FY 18-19</u>	<u>FY 19-20</u>	<u>Percent</u>	<u>Percent</u>
		<u>Board</u>	<u>Projections End</u>	<u>Budget Proposed</u>	<u>Change</u>	<u>Change</u>
		<u>Approved</u>	<u>of Year</u>		<u>Over</u>	<u>Over</u>
					<u>Projections</u>	<u>Approved</u>
					<u>End of Year</u>	<u>FY 18/19</u>
	<i>Restricted Tourism Development Grants to go to 501 c 3 from Rollover Admin Expenses</i>			61,517		
	<i>Restricted Tourism Development Grants to go to 501 c 3 from Admin Expenses Unused</i>			58,625		
	<b>TOTAL GRANT EXPENSES</b>	<b>125,000</b>	<b>55,000</b>	<b>271,800</b>	394	117
	<b>TOTAL EXPENSES</b>	<b>1,820,657</b>	<b>1,463,655</b>	<b>2,079,016</b>	<b>42</b>	<b>14</b>
	<b>Total Marketing Expense</b>	<b>994,353</b>	<b>714,824</b>	<b>1,310,077</b>	<b>83</b>	<b>32</b>
	<b>Subtotal of Income over Expenses</b>	<b>87,000</b>	<b>443,845</b>	<b>9,955</b>	(98)	(89)
	<b>Sponsorship Expenses Earmarked for Event Center &amp; Destination Plan</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	(100)	(100)
	<b>Sponsorship Expenses Earmarked for 501 C 3 Foundation</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	(100)	(100)
	<b>Sponsorship Expenses Earmarked for Reserves (Payback of Destination Marketing Plan)</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	(100)	(100)
	<b>Admin Expenses Unused Earmarked for 501 C 3 Foundation Rollover FY 19-20</b>		<b>61,517</b>			
	<b>Building Rental Credit Earmarked for Reserves</b>	<b>12,000</b>	<b>12,000</b>	<b>9,955</b>	(17)	(17)
	<b>Total Earmarked for Reserves</b>	<b>87,000</b>	<b>148,517</b>	<b>9,955</b>	(93)	(89)
	<b>Excess of Income over Expenses</b>	<b>0</b>	<b>295,328</b>	<b>0</b>	(100)	0

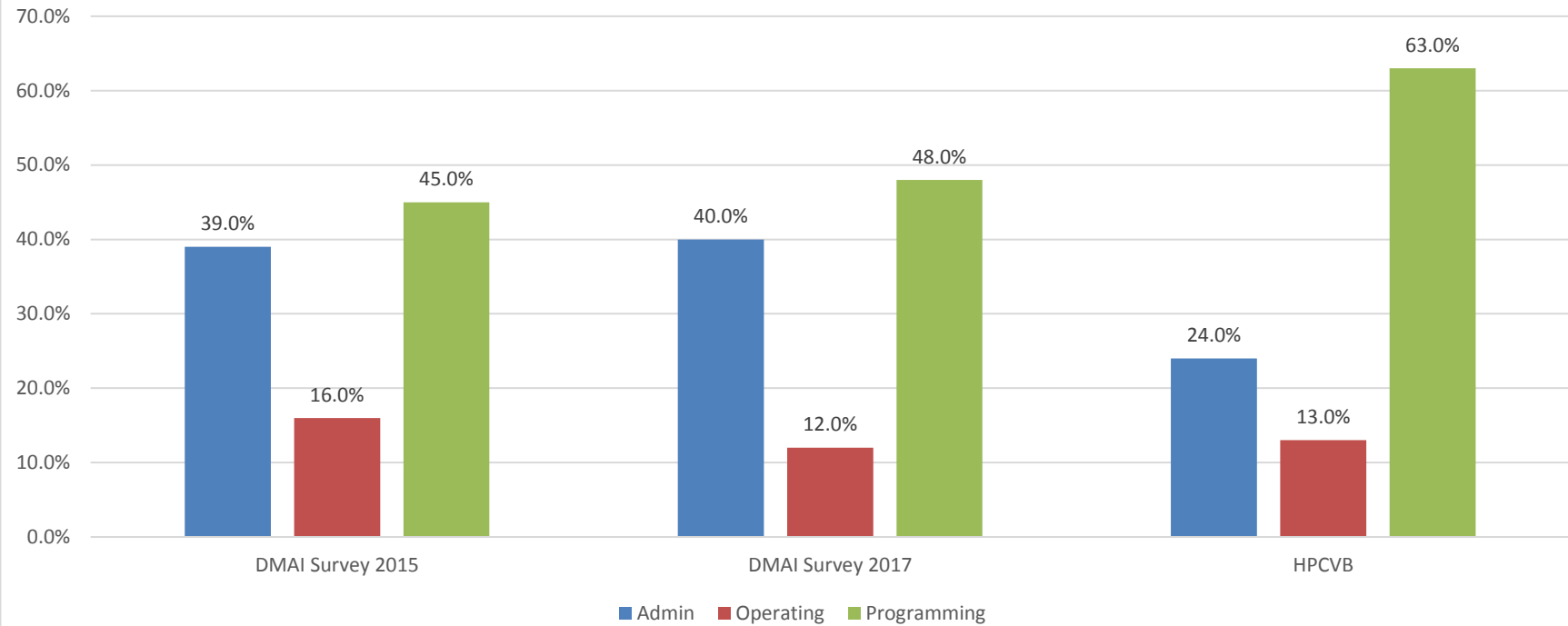
## FY 18-19 Budget



## FY 19-20 Budget



Comparison of HPCVB Budget breakdown with DI Standards



\* DMAI - Destination Marketing Association International dba Destinations International